

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

IN RE: CITY OF DETROIT, . Docket No. 13-53846  
MICHIGAN, .  
Debtor. . Detroit, Michigan  
. September 19, 2013  
10:01 a.m.  
.

HEARING RE. OBJECTIONS TO ELIGIBILITY  
BEFORE THE HONORABLE STEVEN W. RHODES  
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

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1                   THE CLERK: All rise. Court is in session. Please  
2 be seated. Case Number 13-53846, City of Detroit, Michigan.

3                   THE COURT: All right. Attorney appearances for the  
4 record, please.

5                   MR. BENNETT: Good morning, your Honor. Bruce  
6 Bennett on behalf of Jones Day for the city.

7                   THE COURT: Thank you. Any others? Okay. It's the  
8 purpose of this morning's hearing to give those individuals  
9 who filed timely objections to the eligibility of the city to  
10 be in Chapter 9 bankruptcy an opportunity to be heard  
11 regarding their objections. The Court is very interested in  
12 what each and every one of these citizens has to say here  
13 this morning. Each of you has a speaker number, and I'm just  
14 going to start at the top of the list, and we'll go in this  
15 numerical and alphabetical order. I would ask that as your  
16 name and number approaches, you prepare yourself to approach  
17 the lectern here. Let's see. We have a lighting system --  
18 where is that -- over here. The lights will help us all keep  
19 track of the time that you are allowed to speak. Most of you  
20 are allowed three minutes, and so you'll see the green light,  
21 and then you'll see the yellow light. How much time is left  
22 when the yellow light goes on? Oh, it starts on yellow.

23                   THE CLERK: It goes to green, and then it  
24 immediately goes to yellow.

25                   THE COURT: Okay. All right. So it starts on green

1 but immediately goes to yellow, and then when the red light  
2 comes on, the time is up, and I would ask you to wrap up your  
3 remarks. Okay.

4 So let's begin with Speaker Number 1, Michael  
5 Abbott. What is your name, sir?

6 MR. ABBOTT: Good morning. My name is Michael  
7 Abbott.

8 THE COURT: You may proceed, sir.

9 MR. ABBOTT: And I'm a part of the bankruptcy filing  
10 petition for the City of Detroit, and I think the city would  
11 not have to file for bankruptcy if everyone would pay their  
12 fair share in taxes. I'm retired from the City of Detroit,  
13 and I think the emergency manager should not have the right  
14 to use the city pension system to balance the city debt.

15 THE COURT: Um-hmm.

16 MR. ABBOTT: I'd appreciate it if you'd consider  
17 that. Thank you.

18 THE COURT: Thank you, sir. Thank you. Let's take  
19 a pause here. Chris or Kelli, I wonder if there's a way to  
20 get the volume of that microphone turned up a bit. Anybody  
21 know how to do that? Are we sure it's actually on?

22 THE CLERK: Yeah, it's on.

23 THE COURT: All right. All right. Well, let's  
24 proceed and see how it works. All right. So now Speaker  
25 Number 2, Hassan Aleem. Sir.

1 MR. ALEEM: Good morning.

2 THE COURT: Good morning.

3 MR. ALEEM: Hassan Aleem.

4 THE COURT: Go ahead.

5 MR. ALEEM: Okay. And I'm here to object to the  
6 bankruptcy proceedings because the emergency manager, Robert  
7 (sic) Orr, is not a elected official.

8 THE COURT: Um-hmm.

9 MR. ALEEM: And under the Bankruptcy Code it's only  
10 an elected official can file for bankruptcy, so there's  
11 nowhere in the journal of city council where there was ever a  
12 hearing on filing for bankruptcy or where they voted to file  
13 for bankruptcy.

14 THE COURT: Um-hmm.

15 MR. ALEEM: There was never a record of open  
16 meetings or a hearing before the public where an announcement  
17 was made to file for bankruptcy. So for those reasons, they  
18 violated the bankruptcy act. Even under Public Act 436 that  
19 the emergency manager says he has authority, it still -- 436  
20 gives the City of Detroit the authority to file for  
21 bankruptcy, the elected officials, not an appointee. And  
22 under that act, it designates the emergency manager as a  
23 person to assist in the bankruptcy, so it's premature for  
24 this Court to be holding proceedings for bankruptcy when the  
25 City of Detroit and its elected officials have not filed for

1 bankruptcy.

2 THE COURT: Um-hmm.

3 MR. ALEEM: And also the fact that we weren't  
4 notified even though the Court has allowed myself and Mr.  
5 Williams to come and speak before the Court for our so-called  
6 late appearance, but we were never notified, and I would  
7 think that the time limit started -- would start once you're  
8 notified. In any other judicial setting, if you're never  
9 notified and they find out about it, the plaintiff has to  
10 start over again.

11 THE COURT: Um-hmm.

12 MR. ALEEM: And so it should be the same here. They  
13 should dismiss the bankruptcy proceeding. It's not the end  
14 of the world that they made a mistake. There's no -- you  
15 know, Mr. Orr was never known as the sharpest knife in the  
16 drawer. He was only picked, the e-mail states -- and those  
17 were e-mails from the Freedom of Information request  
18 lawsuit -- that a discussion between Mike Duggan and Governor  
19 Snyder -- what they said there, Mike Duggan recommended Kevyn  
20 Orr only because he was black. Now, we're here talking about  
21 money, people's livelihood, and you pick somebody only  
22 because he's black, and somehow they feel that we'd rather be  
23 stabbed in the back or robbed by a black person rather than a  
24 Mexican or a caucasian. It don't work like that. We want  
25 the Court to be fair with us like they are with everybody

1 else.

2 THE COURT: Thank you, sir.

3 MR. ALEEM: Thank you.

4 THE COURT: I want to pause here and caution the  
5 speakers. This is a very serious court proceeding, and I  
6 understand the depth of feelings that many, many people have  
7 about this. I truly do. At the same time, however, I have  
8 to ask you seriously to refrain from personal attacks on Mr.  
9 Orr or really anyone. This is not the time and place for  
10 that. I'm not sure there is any ever, but certainly this is  
11 not. I'm very interested in hearing your feelings about the  
12 bankruptcy, your objections to eligibility, but this is not  
13 the place, if there ever is any, for personal attacks on  
14 anyone.

15 So our next speaker will be Number 3, Dempsey  
16 Addison. Are you Ms. Addison?

17 MS. ADDISON: Yes, I am.

18 THE COURT: You may proceed.

19 MS. ADDISON: Good morning, your Honor, and give  
20 your Honor to God and the Lord Jesus Christ, Yahweh Yashua  
21 HaMashiach.

22 I'm Dempsey Addison. I'm president of the  
23 Association of Professional and Technical Employees, and I'm  
24 here to object to Chapter 9 bankruptcy. I'm here to object  
25 to Kevyn Orr. He's not a resident of the city nor elected by

1 the city. He's not a resident of the State of Michigan and  
2 have no vested interest in this state. And the good people  
3 of Michigan voted down the emergency manager under Public Act  
4, and much to my disappointment, the governor and state  
5 legislatures resurrected PA 4 through Public Act 436  
6 disregarding the will of the people. Therefore, Mr. Orr is  
7 not qualified nor anyone else to act in that capacity of  
8 emergency manager.

9                   Secondly, the city is not insolvent. It has the  
10 capacity to generate revenues through a plethora of revenue  
11 streams, but for whatever -- some reason it has chosen not to  
12 do so and has catalyzed the bankruptcy proceedings by  
13 shutting down revenue-generating departments that doesn't  
14 cost the city or the state a dime. For example, they shut  
15 down the Department of Human Services, a department that had  
16 approximately \$80 million in federal funds. They shut down  
17 the Department of Workforce Development, another federally  
18 funded department. They shut down the Health Department.  
19 Also, many of its services were federal dollars. And now  
20 they're also moving to shut down the Department of Planning  
21 and Development, which is poised to receive approximately  
22 \$500 million in federal funds.

23                   The point I'm making, your Honor, is that all of  
24 these employees in all of these departments were federal  
25 grant-funded employees. Our pension was paid out of the

1       federal grant. The city didn't pay one dime for our pension.  
2       It was paid by the federal dollars, and also it was paid out  
3       of our own monies that we earn as annuities. All of our  
4       healthcare plans were paid out of federal funds even  
5       though -- a hundred percent even though they still charge us  
6       employees a portion of it, double-dipping.

7               What I'm saying is that we have the capacity to  
8       generate millions of dollars. I personally approached Mr.  
9       Orr. He dismissed me and just turned his back on me when I  
10      told him that we had ideas to share with him on how to  
11      generate revenues. I presented my plan or proposal to the  
12      council and also to Mayor Dave Bing.

13              THE CLERK: Ma'am, your time is up.

14              THE COURT: All right. Let me just give her another  
15      few sentences. Go ahead, ma'am.

16              MS. ADDISON: Thank you, your Honor.

17              THE COURT: You're welcome.

18              MS. ADDISON: She made me lose my train of thought  
19      now.

20              THE COURT: Oh, I'm sorry.

21              MS. ADDISON: What I'm saying is that the one  
22      department --

23              THE COURT: You had told me that you had presented  
24      your plan, I think, to Mayor Bing.

25              MS. ADDISON: I did.

1                   THE COURT: Yes.

2                   MS. ADDISON: I presented the plan to Mayor Dave  
3                   Bing. I called him. He never responded to it. I presented  
4                   it at the Detroit City Council on two occasions. They never  
5                   responded to it. We have the land. We have the water. We  
6                   have the climate. We're on an international border. There's  
7                   nothing to stop Detroit from being one of the greatest cities  
8                   in the world.

9                   THE COURT: Um-hmm.

10                  MS. ADDISON: We have it right now, but for whatever  
11                  reason and whatever their agenda is for now, they are  
12                  determined to bankrupt the city.

13                  THE COURT: Um-hmm.

14                  MS. ADDISON: And I'm asking you to stay the  
15                  bankruptcy until you further delve into what we can do to  
16                  save our jobs and save the city.

17                  THE COURT: Thank you so much, ma'am.

18                  MS. ADDISON: Thank you.

19                  THE COURT: We're adjusting the microphone a little  
20                  bit more here. Okay. So next is Speaker Number 4, Aleta  
21                  Atchinson-Jorgan, if I've pronounced that correctly. No?  
22                  Okay. Speaker Number 5, Linda Bain, are you here? Speaker  
23                  Number 6, Randy Beard.

24                  MR. HEARD: Good morning.

25                  THE COURT: Are you Mr. Beard?

1                   MR. HEARD: It's actually Heard --

2                   THE COURT: Heard. Oh, I am so sorry, sir.

3                   MR. HEARD: -- H-e-a-r-d. Yeah. It's just a  
4                   clerical error.

5                   THE COURT: I will make that correction in our  
6                   records. Chris, will you take care of that, please?  
7                   H-e-a-r-d?

8                   MR. HEARD: That is correct.

9                   THE COURT: All right. You may proceed, sir.

10                  MR. HEARD: As a resident and a taxpayer of the City  
11                  of Detroit, I object to the way my tax dollars is being given  
12                  to spend to the emergency manager without any input from the  
13                  mayor or the city council that I elected. In other words,  
14                  they don't have a voice, and that's not right, and it's not  
15                  fair not only to them but myself and the rest of us as  
16                  resident. I believe that the federal court should decide  
17                  whether or not the emergency manager's law are legal in the  
18                  State of Michigan before any more action take place in the  
19                  city, including filing for this bankruptcy. Thank you.

20                  THE COURT: Thank you, sir.

21                  MR. HEARD: Um-hmm.

22                  THE COURT: Our next speaker, Number 7, Russell  
23                  Bellant or Bellant.

24                  MR. BELLANT: I respond to all variations, your  
25                  Honor.

1                   THE COURT: Which is the correct one?

2                   MR. BELLANT: I say Bellant. My sister says it  
3 differently, so --

4                   THE COURT: All right.

5                   MR. BELLANT: Thank you.

6                   THE COURT: Well, I'll go with yours.

7                   MR. BELLANT: Thank you, sir. Your Honor, on June  
8 27, 2013, Emergency Manager Kevyn Orr announced his intention  
9 to transfer the customers of the City of Detroit Public  
10 Lighting Department, PLD, to a private party, DTE. This  
11 transference is planned to commence within months when PLD  
12 electrical meters will be pulled from customers and replaced  
13 with DTE meters ending revenue collection of millions of  
14 dollars a year for the city. The core asset of any utility  
15 is their customers and their revenue. Bonds are saleable  
16 because of customers as assets. Utilities cannot operate  
17 without customers. To transfer its customers is to transfer  
18 the core asset of PLD to DTE; hence, this transference will  
19 end the existence of PLD as an operating utility.

20                   Because of the hastiness in transferring these  
21 customers, DTE will not have its own electrical grid in place  
22 to serve these customers. The emergency manager will give to  
23 DTE the use of the PLD grid for five to seven years while DTE  
24 promises to build their own grid. By making the PLD grid  
25 available for the exclusive use of DTE, this asset of PLD is

1 effectively transferred to DTE for DTE's use and revenue  
2 generation. PLD customers have no say in the matter, your  
3 Honor.

4 As stated in my filed objection of August 19, 2013,  
5 these actions violate the express prohibition of the  
6 emergency manager law in MCL 141.1552(1) (ff) (4), which states  
7 that, quote, "An emergency manager appointed for a city or  
8 village shall not sell or transfer a public utility  
9 furnishing heat, light, or power without the approval of the  
10 majority of the electors of the city or the village voting  
11 thereon as required in section 25 of article VII of the state  
12 constitution of 1963." Your Honor, no attempt has been made  
13 by the city or the emergency manager to seek approval of the  
14 voters in this matter as required by law. These unlawful and  
15 unconstitutional actions strip the city of a utility  
16 providing electrical power to its public institutions. I  
17 seek to block any effort by local or state officials to use  
18 the bankruptcy proceedings or piecemeal dismantlement to  
19 bypass state law and a constitution that they are sworn to  
20 uphold. Clearly, the constitutional language was adopted to  
21 prevent -- in 1963 was adopted to prevent whimsical disposal  
22 of large capital assets that voters and taxpayers invested in  
23 and voted on and operated for generations. Since this Court  
24 has assumed supervisory control in all civil matters  
25 concerning the City of Detroit, I am requesting this Court

1 order declaratory and injunctive relief that prevents the  
2 emergency manager, the City of Detroit, or any other parties  
3 from transferring any PLD assets, including meter swaps,  
4 until those parties fully comply with the law. Failure to  
5 restrain these parties from their unlawful plans will result  
6 in near irremediable harm. Detroit does not need, your  
7 Honor, more irremediable harm.

8                   THE COURT: Thank you, sir.

9                   MR. BELLANT: Yes, sir. I had one other matter.

10                  THE COURT: What is that, sir?

11                  MR. BELLANT: I filed two objections. Can I address  
12 the second one at this time?

13                  THE COURT: I can give you one more minute, but I do  
14 have a lot of people who want to be heard today.

15                  MR. BELLANT: Okay. I thought you got three minutes  
16 for each. I'm sorry.

17                  THE COURT: Oh.

18                  MR. BELLANT: My second -- the second matter I filed  
19 on was the express plans to outsource the Detroit Department  
20 of Public Works.

21                  THE COURT: Um-hmm.

22                  MR. BELLANT: The erosion of the employee base is  
23 eroding the ability to sustain pension funds whether it's the  
24 PLD employees, DPW, and so forth, and I objected to that.  
25 And I also object because the social cost, which the

1 emergency manager is assuming responsibility for, engenders  
2 further unemployment, engenders further blight. I've watched  
3 emergency managers bring in outside contractors that promise  
4 to hire city employees. They don't do it. They don't honor  
5 it. So we have to -- we have to be concerned of that. I'm  
6 president of a block club in northeast Detroit. I've watched  
7 the blight. I've watched the job loss and watched the  
8 consequences. As president of the Library Commission, I've  
9 watched the erosion of our base. We're losing another nine  
10 percent this year. We've lost one-third of the funding for  
11 our library system. These privatization efforts accelerate  
12 that process and causes harm to the city, your Honor. Thank  
13 you.

14 THE COURT: Thank you, sir. Next on our list is  
15 Number 8, Michael G. Benson. Are you here? Number 9,  
16 Cynthia Blair.

17 MS. BLAIR: Good morning, your Honor.

18 THE COURT: You're Ms. Blair?

19 MS. BLAIR: Yes. My name is Cynthia Blair.

20 THE COURT: All right.

21 MS. BLAIR: I'm a widow, and I'm coming from a  
22 personal side of the fence. My husband, whose name is  
23 Kenneth R. Blair, he worked himself up with the police  
24 department starting at age 19. He was a patrol officer, he  
25 was a lieutenant, he was a detective, and ended up as a

1 sergeant. He died in 2004. During that time, my husband did  
2 a match pension which the pension did honor up until this  
3 bankruptcy petition. He did not pay into Social Security at  
4 all. Therefore, if they were to -- the bankruptcy were to  
5 take me and my daughter's husband's pension away, we would  
6 not have any Social Security to fall back on. We would be  
7 thrown directly to the welfare rolls, and we would just  
8 really have to scramble to survive. He never would have  
9 thought to this day that this would happen. Number two --

10 THE COURT: If I may ask, ma'am --

11 MS. BLAIR: Yes.

12 THE COURT: -- how much is that pension?

13 MS. BLAIR: 3,000 a month, and I do pay healthcare  
14 out of that, and the State of Michigan did start taxing that  
15 at the amount of \$1,600 last year, 2012.

16 THE COURT: Um-hmm.

17 MS. BLAIR: So, anyway, we never would have thought  
18 this would have happened. As a Michigander, my vote was not  
19 recognized. We did not vote for an EM manager, and we did  
20 not vote to have this -- have our vote turned upside down. I  
21 do not feel as citizens we live in a democratic society when  
22 that is allowed to happen through unscrupulous behavior  
23 through the Senate and the Legislature. Thank you, your  
24 Honor.

25 THE COURT: Thank you, ma'am. Next is Number 10,

1 Dwight Boyd. Number 11, Charles D. Brown. Mr. Brown.

2 MR. BROWN: Charles D. Brown, your Honor --

3 THE COURT: Yes, sir.

4 MR. BROWN: -- member of the Bar, State of Michigan.

5 THE COURT: Go ahead.

6 MR. BROWN: Thank you very much for accommodating  
7 the laypeople, the people, for these important proceedings.  
8 I am concerned, your Honor, that our attorneys representing  
9 the City of Detroit, the Jones Day firm, have a financial  
10 conflict in representing us in negotiations and settlements  
11 with the Wall Street municipal bond firms. Also, the State  
12 of Michigan and its agents, the governor and emergency  
13 manager, have financial and fiscal conflicts with the City of  
14 Detroit. Therefore, I am concerned about the ability of both  
15 our attorneys and the individuals who have been substituted  
16 for the city's elected officials pursuant to Michigan PA 436  
17 to fulfill an attorney and fiduciary duty to the city in  
18 representing us in bankruptcy. I believe that there have  
19 been in no other municipal or Chapter 9 bankruptcies with  
20 emergency manager type laws usurping city charter approved --  
21 a city charter approved by the people of Detroit and usurping  
22 the powers of elected representatives, including the powers  
23 to file bankruptcy under Chapter 9. My study of bankruptcy  
24 law to this point informs me that the Tenth Amendment of the  
25 United States Constitution is given special deference because

1 of the direction of the Supreme Court on Chapter 9 to do so  
2 in Ashton versus Cameron County Water Improvement District  
3 and United States versus Bekins. The Tenth Amendment in the  
4 United States Constitution reads the powers delegated in the  
5 United States by the Constitution nor prohibited by it to the  
6 states -- I'm sorry -- not delegated to the United States by  
7 the Constitution nor prohibited by the United States are  
8 reserved to the states respectively or to the people, my  
9 emphasis added. We don't usually mention that part. The  
10 Tenth Amendment reserve rights not only to the states but to  
11 the people.

12 I ask the Court to consider the legal theory that  
13 our rights to no taxation without representation, which I'm  
14 sure were among the rights reserved to the people back in  
15 1791, through our city charter, mandated elected officials  
16 our Tenth Amendment U.S. Constitutional rights reserved to  
17 the people, rights that I respectfully ask the Court uphold  
18 in Detroit's bankruptcy by -- bankruptcy.

19 Finally, I ask that I be allowed to raise questions  
20 about the city's proposed readjustment plans should the Court  
21 override our objections to eligibility, and I have a  
22 pleading -- copies of the pleadings for the attorney. Might  
23 I give it to your clerk, your Honor?

24 THE COURT: Yes. Just hand it to Chris, please.

25 MR. BROWN: Thank you so much.

1                   THE COURT: Thank you, sir. Next on our list is  
2 Speaker Number 12, Lorene Brown.

3                   MS. BROWN: Good morning.

4                   THE COURT: You're Ms. Brown?

5                   MS. BROWN: Yes, sir, I am.

6                   THE COURT: You may proceed, ma'am.

7                   MS. BROWN: Yes. Your Honor, I wanted to ask you a  
8 question.

9                   THE COURT: Yes.

10                  MS. BROWN: Aren't we the people here in the United  
11 States the government?

12                  THE COURT: Government of the people, by the people,  
13 and for the people?

14                  MS. BROWN: Yes. There has been so much going on in  
15 this city. I am a residents here, and people have been  
16 asking. They are hurting. People are oppressed. They are  
17 suffering. And they're saying there should be something  
18 somebody can do, and I'm calling on the pastors, the lay  
19 members to call pastors in other cities, in other states and  
20 for us, the people, to declare the year of jubilee. The year  
21 of jubilee cancels all debts, and this is the answer for  
22 these United States of America. Thank you.

23                  THE COURT: You're welcome, ma'am. Thank you.  
24 Number 13, please, Paulette Brown.

25                  MS. BROWN: Paulette Brown, your Honor.

1                   THE COURT: Go ahead, please.

2                   MS. BROWN: I object to being referred to as a  
3 creditor. What I am is a City of Detroit retiree who worked  
4 for the city for almost 30 years. During that time, I was a  
5 dedicated civil servant. I was hired in as a junior typist,  
6 the lowest title in the clerical series, eventually working  
7 my way up to a manager one with the Wastewater Treatment  
8 Plant Division of the Water Department from where I retired  
9 over a year ago. My goal was always to make the city better.  
10 I worked with people who sacrificed their health and safety  
11 to make sure that our customers had clean water. Many of my  
12 coworkers worked in hazardous areas, extreme heat, extreme  
13 cold, and unsanitary conditions. We all breathed in air  
14 filled with the smell of feces and raw sewage on a daily  
15 basis. At some point, our noses became a bit immune to the  
16 smells, but they were still there. However, we continued to  
17 do our jobs. We went above and beyond the call of duty. We  
18 fulfilled our agreement with the City of Detroit, and for  
19 that upon retirement we receive medical benefits and a  
20 pension based on an agreed upon formula for the rest of our  
21 lives. We did our part. We need the City of Detroit to  
22 continue to do theirs. Can you imagine how stressful it is  
23 to even hear that there is a proposed plan to reduce our  
24 pensions and medical benefits? As we get older, our need for  
25 healthcare is greater. We refuse to be treated worse than

1 animals. Michael Vick went to prison for cruelty to animals.  
2 Your Honor, I ask who's going to prison for the proposed  
3 cruelty to retirees?

4 THE COURT: Thank you, ma'am. Next is 14, Rakiba  
5 Brown. 15, Regina Bryant. 16, Mary Diane Bukowski.

6 MS. BUKOWSKI: Good morning, your Honor, and thank  
7 you for allowing us this opportunity, the people of Detroit,  
8 to speak on this matter.

9 THE COURT: You're welcome, ma'am. You are Ms.  
10 Bukowski?

11 MS. BUKOWSKI: Yes.

12 THE COURT: All right.

13 MS. BUKOWSKI: I'm Mary Diane Bukowski.

14 THE COURT: Go ahead.

15 MS. BUKOWSKI: I am a retiree from the City of  
16 Detroit in 1999. I filed an objection. It was the form  
17 objection that was filled out by Attorney Krystal -- that was  
18 comprised by Attorney Krystal Crittendon, and I want to  
19 emphasize that this objection is basically upheld in filings  
20 by the Official Retirees' Committee, which you will be  
21 hearing today, who are asking -- at three o'clock in this  
22 room -- who are asking for a stay on the bankruptcy  
23 proceedings until a U.S. District Court rules on matters like  
24 the constitutionality of Public Act 436, the Tenth Amendment,  
25 the primacy of the protection of public benefits in the state

1 constitution, and that was a committee that was ordered by  
2 yourself --

3 THE COURT: Um-hmm.

4 MS. BUKOWSKI: -- and requested by Emergency Manager  
5 Orr. Secondly, I have also filed an addendum to my  
6 objection. I was a reporter for the Michigan Citizen at the  
7 time that the pension obligation certificate deal was cut. I  
8 was at the City Council table during that time and covered  
9 those hearings, took photos of the people at the table.

10 THE COURT: Um-hmm.

11 MS. BUKOWSKI: The people pushing for the pension  
12 obligation certificate deal, which, according to the Detroit  
13 Free Press, now is worth \$2.8 billion, were -- among others,  
14 was Detroit CFO Sean Werdlow. At the end of that year, he  
15 became a managing partner in the firm of Siebert, Brandford &  
16 Shank, one of the partners who the loan was taken to.

17 THE COURT: May I interrupt you just for a --

18 MS. BUKOWSKI: Yes.

19 THE COURT: -- half a second here? We're having  
20 difficulty with our microphone.

21 MS. BUKOWSKI: Okay. Should I step back a little  
22 bit?

23 THE COURT: Can I ask you just to step back a little  
24 bit?

25 MS. BUKOWSKI: Okay.

1                   THE COURT: Maybe a little bit more and then --

2                   MS. BUKOWSKI: Okay. Thank you.

3                   THE COURT: -- and then go ahead.

4                   MS. BUKOWSKI: Okay. Okay.

5                   THE COURT: I'm sorry.

6                   MS. BUKOWSKI: Thank you. Sean Werdlow in November  
7 of that year -- that first deal was negotiated in February,  
8 in January and February, and I covered that in my addendum  
9 that I filed. I'll give copies to you and the other  
10 attorneys here, but I also mailed them and filed them.  
11 They're on line. He became a partner in that firm the  
12 following year in 2006. The City of Detroit renegotiated  
13 those same loans to cover 30 years instead of 14 years while  
14 he was still a partner. He's still a partner, and the city  
15 is still taking out loans from -- under the authority of  
16 Siebert, Brandford & Shank. I believe this is obviously  
17 questionable and likely criminal behavior. The Wall Street  
18 ratings agency, Standard & Poor's and Fitch Ratings --  
19 Stephen Murphy of Standard & Poor's and Joe O'Keefe of Fitch  
20 Ratings were at the table to push for that loan in a clear  
21 conflict of interest with their normal role. At the end they  
22 threatened to downgrade the city's debt rating if it wasn't  
23 passed. In fact, at the end of the year, they downgraded the  
24 city's debt rating anyway. The city's former mayor, Dennis  
25 Archer, was on the payroll of UBS, AG, at the time as a

1 consultant. There's an article from Bloomberg Business Week  
2 in this --

3 THE COURT: I have to ask you to wrap up, please,  
4 ma'am.

5 MS. BUKOWSKI: Okay. Well, I'm wrapping up now.  
6 This is the basic --

7 THE COURT: Okay.

8 MS. BUKOWSKI: -- thing that I wanted -- I have  
9 asked, and Attorney Goldberg, when he deposed Emergency  
10 Manager Kevyn Orr, has asked if he was aware of the  
11 criminal -- possible criminal situations that this loan  
12 involved. I am asking now that this loan be disallowed from  
13 any consideration, the \$2.8 billion loan be disallowed from  
14 any consideration in eligibility for bankruptcy because of  
15 the very likelihood of criminal activity that gave birth to  
16 it and because under Public Act 436 Emergency Manager Orr has  
17 the obligation to investigate any such criminal activity, and  
18 he has not done so.

19 THE COURT: Thank you, ma'am.

20 MS. BUKOWSKI: Thank you.

21 THE COURT: Speaker 17, David Bullock. 18,  
22 Claudette Campbell. 19, Johnnie Carr. 20, Sandra Carver.  
23 21, Raleigh Chambers. 22, Alma Cozart. 23, Leola Regina  
24 Crittendon.

25 MS. CRITTENDON: Good morning. My name is Leola

1       Regina Crittendon.

2               THE COURT: Yes, ma'am.

3               MS. CRITTENDON: My name, of course, is Leola Regina  
4       Crittendon, and I am a party to the bankruptcy. I filed an  
5       objection to the city's filing of the petition because I do  
6       not have -- I did not have enough time to hire an attorney to  
7       advise me as to all my rights under this bankruptcy because I  
8       received my notice only a few days before the objections were  
9       due.

10              I believe that the federal court should decide  
11       whether the emergency manager laws are legal in Michigan  
12       before Detroit's emergency manager takes any more action in  
13       this city, including the filing of this bankruptcy. As a  
14       resident and taxpayer of the City of Detroit, I object to my  
15       tax dollars being given to the emergency manager to spend  
16       without any input from the mayor and the city council members  
17       that I elected. I object to having to pay high taxes in this  
18       city while millionaires and billionaires are not being  
19       required to pay taxes at all or are being given tax breaks.  
20              I object to the fact that the City of Detroit giving millions  
21       of dollars to millionaires and billionaires to build things  
22       like the new hockey stadium in downtown Detroit when these  
23       same people already owe the city millions of dollars. I  
24       object to the fact that Detroit's emergency manager would  
25       give over \$100 million of tax dollars to his law firm, other

1 experts he hires to work on this bankruptcy, when that money  
2 could be used to pay down any debts owed by the city. I  
3 object to the fact that with my tax dollars the emergency  
4 manager will outsource all of the city's jobs to private  
5 contractors, many who do not even live in the City of Detroit  
6 or the State of Michigan, to do work that I, my family  
7 members, friends, and neighbors could do.

8 Your Honor, the emergency manager has stated that he  
9 may sell all of the city assets, yet he has said nothing  
10 about making any of the large corporations who owe the City  
11 of Detroit pay money owed that's due to Detroit. I object to  
12 the fact that the emergency manager is receiving \$275,000 a  
13 year from taxpayers' dollars plus money for travel and  
14 lodging while he claims that the city has a financial  
15 deficit. He is also paying 225,000 a year to people like the  
16 new police chief who do not have to answer to the mayor and,  
17 again, the city council members that I elected. I object to  
18 the fact that the emergency manager is transferring millions  
19 of dollars of taxpayers' money to his law firm and other  
20 contractors he hand-selected while threatening to take the  
21 pensions of residents and taxpayers like me, my family  
22 members, friends, and neighbors. I object to the fact that  
23 the emergency manager has not set up a grant writing program  
24 in the department of Detroit while there are millions of  
25 dollars available every year from the federal government,

1 which could be used to help with the finances of city crises  
2 and services. I object --

3 THE COURT: Ma'am, your time is technically up, but  
4 I'm going to give you a minute since you've --

5 MS. CRITTENDON: Okay. One more second.

6 THE COURT: -- obviously spent a lot of time  
7 preparing your remarks here this morning.

8 MS. CRITTENDON: Okay. I've got it. I object to  
9 the strangers coming into Detroit and getting paid millions  
10 of dollars to advise the city as to how it relates to this  
11 bankruptcy when we have competent people here in the city who  
12 could have and should have been hired or elected by  
13 Detroiters to decide whether the city should be -- should  
14 file for bankruptcy. Your Honor, I think that all -- I think  
15 that all decisions regarding whether the city should be  
16 filed -- should file for bankruptcy should be made by the  
17 city and its residents through their elected officials. I  
18 believe that if all of this were done, the city would not  
19 have to file for bankruptcy. Thank you.

20 THE COURT: Thank you so much, ma'am. Number 24 --  
21 excuse me -- 24, Angela Crockett. 25, Lucinda J. Darrah.

22 MS. DARRAH: If the state had an interest in Detroit  
23 for the best interest of Detroit --

24 THE COURT: Excuse me, ma'am. Ma'am --

25 MS. DARRAH: -- it would own part of the bridge.

1                   THE COURT: Ma'am, could you just back up a few  
2 inches from the microphone?

3                   MS. DARRAH: Okay.

4                   THE COURT: Much better. Thank you.

5                   MS. DARRAH: Okay.

6                   THE COURT: Go ahead.

7                   MS. DARRAH: They would have -- we would have had a  
8 part interest in this new bridge they're proposing that  
9 Canada is financing that this -- if you want to take the  
10 retirees' money, what about the fact that most of these --  
11 many, many -- I don't know how many of these retirees are  
12 African Americans. They never got reparations. They never  
13 got the 40 acres and a mule for all the free labor their  
14 ancestors did, and you know that people benefit from their  
15 ancestors, so for them to be able to get a good job and then  
16 all of a sudden we're going to take part of that pension away  
17 is totally ridiculous. And not only are they -- is that an  
18 affront, but right now I'm going through a recount that is a  
19 sham. We're trying to discover whether or not there's fraud,  
20 and the state has made so many rules up through the county  
21 Board of Canvassers, they won't even allow candidates like  
22 myself for city clerk to testify, not only get on the agenda  
23 in ahead of time when you ask, put something in writing. It  
24 never gets passed to the chair. And then when it comes to  
25 public comment when you're supposed to be able to comment,

1 they take and find a phony reason to adjourn the meeting, but  
2 that's happened. That's more than once. That's three times  
3 that I have been unable to even express myself as a citizen  
4 or a candidate, so that's the state. So anything that comes  
5 through this bankruptcy that is illegal actually as far as --  
6 the only reason we have a bankruptcy right now is because the  
7 emergency manager was appointed because our -- we had a bad  
8 political system that elected or probably stole the election  
9 from these people who voted for the consent agreement. And  
10 if that consent agreement had -- and they even -- the people  
11 that wanted to influence the budget put in that we had to  
12 have 140 days before an election to get a proposition or a  
13 referendum onto the ballot, so our deadline for the consent  
14 agreement to repeal that would have been June 25th.  
15 Everybody else in the state, all county and local  
16 governments, by the state rule had until August 14th. So  
17 it's been one continual disenfranchisement. So far we don't  
18 know where the absentee ballot applications were printed. I  
19 have friends, too, that called me. Neither one got their  
20 absentee ballot application, so it's a fraudulent election,  
21 but they won't even let us investigate that. They won't let  
22 us -- we need to actually get the names of the poll book.  
23 You know, the reason I'm putting it on record here because  
24 they won't let me get in the Board of Canvassers meeting  
25 where they have a court recorder where it goes on record, but

1       they will not allow us to get the names in the poll book  
2       because that's what we need to compare who voted, whose --  
3       what the names are on the absentee ballot books and also on  
4       the cards that are signed when they sign in at the poll,  
5       name, address, and birthdate --

6               THE COURT: I need you to wrap -- I need you --

7               MS. DARRAH: -- and also the envelopes, the absentee  
8       ballot envelopes, but those signatures should be checked on a  
9       random basis with the log and the qualified voters list to  
10      make sure we don't have fraud. Otherwise, you know, nobody  
11      is going to vote, and that is the whole point. They're  
12      trying to discourage --

13              THE COURT: Ma'am --

14              MS. DARRAH: -- and disenfranchise people --

15              THE COURT: Ma'am --

16              MS. DARRAH: -- by getting them so they really --  
17      they don't even bother to vote.

18              THE COURT: Okay. Okay.

19              MS. DARRAH: Thank you.

20              THE COURT: Thank you very much, ma'am. Okay. All  
21      set, Chris? Our next speaker, please, is 26, Joyce Davis.  
22      27, Sylvester Davis.

23              MR. DAVIS: Good morning, your Honor.

24              THE COURT: Are you Mr. Davis?

25              MR. DAVIS: My name is Sylvester Davis.

1                   THE COURT: Okay. Go ahead, sir.

2                   MR. DAVIS: And I'm -- I thank you, first of all,  
3 for allowing this day to come --

4                   THE COURT: Yes, sir.

5                   MR. DAVIS: -- hear the people. First of all, I  
6 just want to say that we're supposed to live in a country  
7 that has democracy. We always in foreign countries trying to  
8 help them form a democracy when here ourselves we seem to be  
9 disallowing democracy to flow. We've got the opportunity to  
10 vote our elected officials in, but it seems like somebody has  
11 hoodwinked us. We voted elected officials in to represent  
12 us. They disallowed our voted representatives to represent  
13 us.

14                  THE COURT: Um-hmm.

15                  MR. DAVIS: We said we don't want an emergency  
16 manager. The governor said he wants an emergency manager, so  
17 he concocted something and then brought an emergency in here  
18 by hoodwink, so I'm asking you, your Honor. I don't know  
19 what your powers are or how you do things. I don't know  
20 court procedures really myself, but I know if you have the  
21 power to disallow everything that Kevyn Orr has done because  
22 we said we didn't want an emergency manager -- the people  
23 said that of this emergency, but it's been allowed anyway.  
24 That's just like having somebody come to your house and say,  
25 "Hey, we want what you got in there." You say, "I didn't

1 invite you in." You say, "We're not asking you to invite us  
2 in. We're coming in anyway." And that's just -- that to me  
3 is what it seems that has happened to the citizens of  
4 Detroit. They just come in and robbed us without the use of  
5 a weapon. I'm asking you, your Honor, if you -- if you got  
6 God in you, do the right thing. Disallow this mess that they  
7 created to stop going forward, please, in the name of Jesus  
8 Christ.

9 THE COURT: Well spoken, sir. Thank you. 28,  
10 William Davis. 29, Elmarie Dixon.

11 MS. DIXON: Good morning, your Honor.

12 THE COURT: Good morning. You're Ms. Dixon?

13 MS. DIXON: Yes. Elmarie Dixon is --

14 THE COURT: Go ahead.

15 MS. DIXON: -- my name. I want to thank you for the  
16 opportunity as a citizen of the United States, resident of  
17 the City of Detroit, homeowner and taxpayer, senior next  
18 month of 65. I go to bed at night worrying about being a  
19 debtor when from 17 years of age I worked, been retired two  
20 years, to look forward to just paying taxes. So as a debtor,  
21 not knowing what the emergency manager is going to do and who  
22 he's going to sell our taxes to, all the new fees, I'm asking  
23 you, the federal court, not to allow this bankruptcy to go  
24 forward and to stop the emergency manager. As a resident and  
25 a taxpayer, there's been millions of dollars given to other

1 entities, and that has been put on us, on our tax bill I paid  
2 in debtor's tax.

3                 Also, I object to the fact that the city would not  
4 have had to file this bankruptcy had they collected millions  
5 of dollars of taxes that's owed to us from other entities,  
6 but they laid off city employees that does the collecting of  
7 taxes, so that's a deficit of money that we could be -- being  
8 used, and that would not be put on us. So I come here today  
9 as a citizen -- and I did file an objection to this  
10 bankruptcy, that it should not have been filed. I did not  
11 have enough time to get a lawyer or anything like that, so  
12 I'm just giving my heartfelt thoughts as a citizen and asking  
13 you to consider that.

14                 THE COURT: Yes, ma'am. Thank you. Number 30,  
15 please, Mary Dugans or Dugans. 31, Lewis Dukens.

16                 MR. DICKENS: Dickens just like Charles.

17                 THE COURT: Okay. Go ahead, sir.

18                 MR. DICKENS: Thank you, your Honor. Detroit's  
19 experience with EFM's and EM's and so-called construction  
20 managers has been nothing short of a series of disasters not  
21 properly and carefully covered by the press. Robert Bobb,  
22 brought in to solve a \$400 million debt with the DPS, managed  
23 to raise the debt by a billion dollars. That's not clearly  
24 covered. It was covered with a tiny article in the back.  
25 And they virtually destroyed DPS by demolishing easily

1 repairable buildings and -- I'm an architect, so I can  
2 tell -- and by messing with facilities and staffs in the most  
3 abrupt and abusive way and by making appointments of  
4 unqualified and inexperienced personnel. Though I'm 75, my  
5 daughter just graduated from King two years ago, and I got  
6 put on the core committee to see what would happen with King.  
7 What happened was -- "egregious" is the perfect word for it.  
8 I've never seen something so corrupt in all my life, and what  
9 they did was managed to destroy a beautiful school building  
10 and put up one that's vastly inferior that the kids now call  
11 the prison. That building cost \$43 million, and they just  
12 demolished good facilities and built new ones which are  
13 virtually the same size and no better really, so it was an  
14 exercise in extreme expenditures. It was heartbreaking to  
15 see this, and I saw the architect, who I consider to be  
16 corrupt and has a number of corrupt practices, lie to the  
17 building committee, to the principal and the people involved  
18 there. It was an unbelievable situation. They went ahead  
19 and built the building. And when you compare that \$43  
20 million building with the \$22 million building right nearby  
21 of the Thompson Ross High School for Science and Math, you  
22 know that something is a little bit off. I can tell you what  
23 it is, but I won't right now.

24                   The EFM is really nothing short of a costly  
25 disaster, and running that money up like that is

1 unacceptable. When it comes to Mr. Orr, I must say that this  
2 was published, his new organizational chart for the city, in  
3 the Free Press here recently, but it's not acceptable. I  
4 went to General Motors Institute. I know what it is to draw  
5 an organizational chart. This is not a proper organizational  
6 chart. It's a total mess. It's a mixture, and you can't  
7 even tell the difference between a line function and a staff  
8 function. It doesn't appear. A real organizational chart  
9 would be more on this order, and so I'd say if that's what we  
10 get for, what, a thousand dollars a day, or is it 2,000 or --  
11 how much is he getting -- and all these fancy consultants at  
12 a thousand dollars an hour and they can't even do a proper  
13 organizational chart, they should be dismissed.

14 THE COURT: Thank you, sir. Number 32, please,  
15 David Dye. You're Mr. Dye?

16 MR. DYE: Yes. I'm Mr. Dye.

17 THE COURT: Go ahead, sir.

18 MR. DYE: I'll be brief. I got four points. Point  
19 one, the city is not bankrupt as shown on the 2012  
20 comprehensive annual financial report. On page 41 of the  
21 City of Detroit's 2012 CAFR, the statement of net assets, the  
22 city's total assets amount to 10.3 billion, and the  
23 liabilities amounted for 10.6 billion leaving a net deficit  
24 of \$371 million, but the problem is that in the liabilities  
25 section of the 10.6 billion in liabilities, approximately 9.1

1 billion is listed as due after one year, which means that  
2 they are future debt payments that aren't really due  
3 currently, but once you adjust for that, you get a net  
4 surplus of \$8.7 billion, which is not really indicative of a  
5 bankrupt entity.

6 Point two, the interest rate swap debts are not  
7 valid. We already have -- it's already been all over the  
8 news. There have been investigations by the SEC, CFTC, which  
9 is Commodity Futures Trading Commission, where they have  
10 already convicted people of fraud, of manipulating the LIBOR  
11 interest rate and also the ISDAfix, which are both benchmarks  
12 for these interest rate swaps, and so this should be  
13 investigated because a legal maxim I'm familiar with is that  
14 fraud vitiates the most solemn of contracts.

15 Point three, the voters struck down the original EM  
16 law, and the governor unlawfully passed another one. They  
17 passed the -- the voters voted down PA 4, and Snyder, the  
18 governor, went on ahead and they went on and passed PA 436.  
19 I think the legal maxim for that is that when anything is  
20 prohibited directly, it is also prohibited indirectly. And  
21 also PA 436 is an unconstitutional encroachment on the due  
22 process rights of an elected republican form of government.  
23 In addition to this, this law establishes an entirely  
24 different form of government in Michigan that is not  
25 accountable to the people. It institutes a new form of

1 government similar to a dictatorship because the unelected  
2 emergency manager is not subject to the people. They do not  
3 have any ability to hold this person accountable, nor do they  
4 have any recourse to any action that this person may  
5 initiate, but the people are guaranteed a republican form of  
6 government in Article IV, Section 4, of the U.S.  
7 Constitution.

8 Point four, EM Kevyn Orr has conflicts of interest  
9 due to his current and/or previous affiliations with the  
10 Jones Day law firm and due to the fact that Jones Day has  
11 clients that are creditors of the City of Detroit. Some of  
12 the clients -- I believe most if not all the clients that are  
13 responsible for these swap -- interest rate swaps are clients  
14 of Jones Day, and this is also evidenced by Kevyn Orr's -- he  
15 sought to investigate the pension boards, but he did not seek  
16 to investigate these banks that have already been convicted  
17 of criminal activity in the manipulating of interest rates.  
18 Okay. Thank you.

19 THE COURT: Thank you. Next is 33, Jacqueline  
20 Esters.

21 MS. ESTERS: Thank you, your Honor, and --

22 THE COURT: You're welcome. And you are Ms. Esters?

23 MS. ESTERS: Good morning.

24 THE COURT: You are Ms. Esters?

25 MS. ESTERS: Yes.

1                   THE COURT: Go ahead.

2                   MS. ESTERS: Okay. My name is Jacqueline Esters,  
3 and I'm a party to the bankruptcy. I filed objections to the  
4 city's filing of the petition because I'm going a little  
5 different than most people, but in all of the conversations I  
6 never hear anybody say that the people that worked for the  
7 City of Detroit did not just get the jobs. Nobody just gave  
8 it to them. They had to take tests, be interviewed and other  
9 things to be qualified, and with that came a promise to pay a  
10 pension, healthcare, and so forth. When I started working --  
11 I guess it was like 1968 -- I believe I made \$2.24 an hour.  
12 It wasn't a lot of money. And one of the reasons I think  
13 that they gave pensions or had them is because they knew that  
14 we didn't make a lot of money anyway. Okay. But along the  
15 way what I've been able to do is raise a family, pay taxes.  
16 I stayed in Detroit. I really want to leave now, and I  
17 really can't because the value of the homes aren't worth  
18 anything.

19                   And I also would like to say that civil service even  
20 from ancient times was looked upon as part of an ethical part  
21 of society.

22                   THE COURT: Um-hmm.

23                   MS. ESTERS: Very high -- it was held in high  
24 esteem. So with that I say promises made, promises broken.  
25 This is not good business. Thank you.

1                   THE COURT: Thank you, ma'am. 34, Arthur Evans.  
2 35, Jerry Ford. 36, William D. Ford. 37, Ulysses Freeman.  
3 38, Olivia Gillon or Gillon. I'm not sure.

4                   MS. GILLON: Good morning, your Honor. My name is  
5 Olivia Gillon.

6                   THE COURT: Gillon. Okay. You may proceed.

7                   MS. GILLON: I worked for the City of Detroit for 33  
8 years and 9 months, and I believe that I was a dedicated and  
9 a loyal employee, and I know that I had an excellent work and  
10 attendance record. And I retired in 2002.

11                  THE COURT: Um-hmm. What department?

12                  MS. GILLON: I started out in the Labor Relations  
13 Division of the Human Resources Department, went on a leave  
14 and came back to the Law Department, and I retired from the  
15 City Council Division of the City Clerk's Office. I believe  
16 that I earned my lifetime pension and my health benefits, and  
17 I also earned a bachelor of science degree through Wayne  
18 State University.

19                  My objection stated that the city had too many  
20 assets to be bankrupt, and the city's response is that  
21 applicable law does not require it to exhaust all possible  
22 opportunities for revenue generating or adopt every  
23 conceivable cost-cutting measure prior to seeking relief  
24 under Chapter 9. The response referred to data set forth in  
25 a June 14th credit proposal, and I admit I have not been in

1 the data room. I don't know what all the financial data  
2 says. Perhaps this Court has seen evidence of at least some  
3 exhaustive attempt to generate revenue prior to filing. I  
4 don't know. I also objected to the --

5 THE COURT: Excuse me, ma'am. If you would just  
6 move over a bit, the mike would pick up your voice a little  
7 better. There you go.

8 MS. GILLON: Okay. I also objected to the emergency  
9 manager treating me like an individual creditor and being  
10 able to move me from under state law to federal bankruptcy  
11 law. And when I got the notice and I realized I'm being  
12 treated as a creditor, I felt like I had to respond to the  
13 notice, but I felt like I didn't have any pension protection  
14 or retiree representation. However, I do understand that  
15 this Court has assigned a nine-member committee, and they've  
16 been given the fiduciary responsibility on behalf of city  
17 retirees, and then we'll be able to vote on its decisions.  
18 That's a lot of people to expect to come to an agreement.  
19 Nevertheless, I also understand that the constitutional  
20 issues have not been resolved yet. The emergency manager, he  
21 didn't come forth with any specifics relative to pension cuts  
22 and healthcare cuts. That makes people nervous, it stresses  
23 people out, and it makes it seem like he's putting the onus  
24 for fixing the city's problem on the retirees. And most of  
25 us were not even involved in the decisions that --

1                   THE COURT: Um-hmm.

2                   MS. GILLON: -- were made in the process that got  
3 the city into the trouble that it's in now. But what I hope  
4 that this Court will consider is that retirees will not be  
5 allowed to walk away from their financial responsibility.  
6 Retirees do not get the preferential treatment that banks and  
7 other secured creditors get. Many retirees don't have  
8 anything to offset their losses. Even though I have a  
9 husband --

10                  THE COURT: Ma'am, I can give you about one more  
11 minute.

12                  MS. GILLON: Okay. I have a husband.

13                  THE COURT: Your time is up, but I'll give you  
14 another minute.

15                  MS. GILLON: But, nevertheless, it would destabilize  
16 my finances --

17                  THE COURT: Right.

18                  MS. GILLON: -- and my family's finances. And one  
19 thing is when the bubble burst with the housing --

20                  THE COURT: Um-hmm.

21                  MS. GILLON: -- and Chase and all the banks, they  
22 got the government to help them, but they didn't have any  
23 help for me. Chase couldn't help me. Quicken came in, and  
24 they said they would help, but they made me agree to a lot of  
25 things like paying mortgage insurance, and then they asked me

1 for a letter that said that I had a lifetime pension. And  
2 what I gave them was General Retirement System Form 9-SAP,  
3 and that's where I was offered certain lifetime benefits --

4 THE COURT: Um-hmm.

5 MS. GILLON: -- and I selected certain lifetime  
6 benefits. What I think is that this is not the right path,  
7 bankruptcy. I do understand it's a quick way around  
8 negotiating pension and health benefits, but it's not the  
9 right way. It's really wrong for the city's slate to be  
10 wiped clean and Detroit retirees be put at the end of a long  
11 line of creditors and deemed as unsecured. It's not right.  
12 Thank you.

13 THE COURT: Thank you. Okay. Now, the problem is,  
14 Chris, that I can't see it. Can it go over further? There,  
15 that's good. Thank you. Okay. 39, Donald Glass. 40,  
16 Lavarre W. Greene. 41, William Hickey.

17 MR. HICKEY: Good morning, your Honor. I'm William  
18 Hickey.

19 THE COURT: Go ahead, sir.

20 MR. HICKEY: Your Honor, I've been a citizen of  
21 Detroit for over 50 years. I currently am doing community  
22 gardening in the Brightmoor section of Detroit. During those  
23 50 years, I've experienced mayors and city council people and  
24 city workers have been both good and not so good, but whether  
25 good or not so good, I've had a say in their being mayors or

1 city council people. And now I and my fellow citizens find  
2 ourselves potentially in a bankruptcy proceeding and  
3 completely disenfranchised in terms of our getting there.  
4 None of the people that I have or my fellow citizens have had  
5 a say in voting for have had any decision-making power in  
6 this situation, and so we find the fact that some of our  
7 fellow citizens who have justly earned pensions that have  
8 been legally negotiated and are constitutionally protected  
9 are now in jeopardy, and our commons from our water system to  
10 Belle Isle are also in jeopardy. And, again, we have not had  
11 any say in this, and this is unjust and unfair. And so I ask  
12 you, first of all, to rule that the city is ineligible right  
13 now for this bankruptcy proceeding.

14 Second, as you know, the law that has led to this is  
15 under constitution -- is under consideration in federal court  
16 for its constitutionality, and so I ask you to stay these  
17 proceedings until that has been settled.

18 Third, I'm troubled by the fact that the emergency  
19 manager law has been applied primarily, if not entirely, to  
20 cities and school boards where the population is primarily  
21 predominantly African American, and so I find this law to be  
22 racist in its aims and in its application.

23 Finally, this is the people's court, and by that I  
24 mean flesh and blood people --

25 THE COURT: Um-hmm.

1                   MR. HICKEY: -- not the legally fictitious kind we  
2 know of as corporations, and so I call on you to protect  
3 those flesh and blood people, the people who have earned  
4 those pensions. You are the only one who has the power to do  
5 that if this goes forward, and I think, in all fairness, what  
6 they have earned -- the little that they have earned should  
7 take precedence over the rights, the claims of the  
8 corporations who have preyed on the City of Detroit and who  
9 knew better.

10                  THE COURT: Um-hmm.

11                  MR. HICKEY: Thank you.

12                  THE COURT: Thank you, sir. 42, LaVern Holloway.

13                  MS. HOLLOWAY: Good morning, your Honor.

14                  THE COURT: Good morning.

15                  MS. HOLLOWAY: Thank you for this opportunity for my  
16 day in court.

17                  THE COURT: You're Ms. Holloway?

18                  MS. HOLLOWAY: I'm Ms. Holloway.

19                  THE COURT: Okay. Go ahead.

20                  MS. HOLLOWAY: My name is LaVern Holloway, and I'm a  
21 party to the bankruptcy. I am raising an objection because  
22 my voting rights have been violated. Governor Rick Snyder  
23 broke the law by ignoring the will of the voters, who voted  
24 down the emergency manager law last November. After the  
25 emergency manager law was defeated, Governor Snyder created

1 Public Act 436, a mirror image of what the voters rejected.  
2 Governor Snyder created this law during the lame duck session  
3 of 2012 with no public hearing and no committee hearing.  
4 Public Act 436 is unconstitutional encroachment of the due  
5 process right to an elected republic form of government.

6 I also contend that the new law establishes a new  
7 form of government in Michigan, and citizens will have to --  
8 have effectively lost the right to vote, which is in  
9 violation of the 1965 Voting Rights Act because it  
10 disenfranchises voters. The 15th Amendment states that my  
11 right as a citizen of the United States to vote shall not be  
12 denied or abridged by the United States or any state. In  
13 addition, the Voting Rights Act of 1965 protects me from  
14 discriminatory laws that disenfranchises my vote. My voting  
15 rights are violated by provisions of Public Act 436.  
16 Michigan emergency manager law violates my voting rights. I  
17 object because Detroiters are being subjected to at large  
18 elections, annexation, last minute polling place changes, and  
19 redistricting, which have proven to have discriminatory  
20 impact on voters, especially racial and ethnic minority  
21 American voters. The Voting Act -- Rights Act requires  
22 Michigan to obtain approval or preclearance from the U.S.  
23 Department of Justice or the U.S. District Court in D.C.  
24 before they can make any changes to voting practices and  
25 procedures. The State of Michigan did not obtain that

1 approval. Detroit Emergency Manager Kevyn Orr, whom, by the  
2 way, called Detroit dumb, lazy, happy, and rich, was hand-  
3 picked by Governor Snyder, who himself is due to be deposed  
4 at a later date. There is strong evidence that Kevyn Orr is  
5 still receiving paychecks from Jones Day in the form of a  
6 severance package. Jones Day stands to make \$100 million in  
7 fees off of the City of Detroit. These situations lack the  
8 process of good faith bargaining. The City of Detroit is  
9 owed over 800 million in revenue sharing as confirmed by  
10 State Treasurer Andy Dillon. Mike Ilitch owes Detroit over  
11 200 million with over 2 million in unpaid property taxes and  
12 leasing fees. Even still he was approved for an \$881 million  
13 Red Wings arena of which 61 percent will be billed to  
14 Detroit. The Detroit Westin Book Cadillac has never made a  
15 single payment on its 24 million that they acquired in 2007,  
16 and when asked why, they said it's complicated. Detroit  
17 needs to start collecting this debt.

18 In conclusion, I object because it's -- because it  
19 is unconstitutional and promotes the lawless environment that  
20 now exists in the City of Detroit. When asked if I'm better  
21 off than I was four years ago, the answer is absolutely not.  
22 Thank you, your Honor.

23 THE COURT: Thank you. 43, William J. Howard.

24 MR. HOWARD: Good morning, your Honor. It's William  
25 L. Howard.

1                   THE COURT: William L. All right. We will make  
2 that change in our records.

3                   MR. HOWARD: Okay. My objection is to the  
4 bankruptcy. I'm a retired Water and Sewage Department  
5 employee, service with the city. I worked at the wastewater  
6 treatment plant for over 35 years. During that time I worked  
7 in human waste with fellow employees. I worked on 14 of the  
8 city's incinerators doing repairs. I was a repair mechanic.  
9 Our operation ran 24/7 365 days a year. My fellow employees  
10 and I, we feel that we're entitled a pension after working  
11 all of this time. We worked on holidays such as Christmas,  
12 New Year's, and Thanksgiving while others enjoyed their  
13 families working to serve the citizens of Detroit and also  
14 neighboring communities, so I pray that you, your Honor,  
15 would object this bankruptcy. Thank you.

16                   THE COURT: Thank you, sir. 44, Joann Jackson.

17                   MS. JACKSON: Good morning, your Honor. I'm here on  
18 behalf of my husband.

19                   THE COURT: You are Ms. Jackson?

20                   MS. JACKSON: I'm Ms. Jackson, and I'm --

21                   THE COURT: Go ahead.

22                   MS. JACKSON: I'm here on behalf of my husband, Mr.  
23 Jackson. He's unable to come. He worked for the City of  
24 Detroit for 30 years. He retired from public lighting, what  
25 used to be Mistersky Power Plant. He worked six and seven

1 days a week 16 hours a week -- 16 hours overtime, but the  
2 reason I'm really concerned about his pension and his  
3 healthcare, my husband retired in 2000, but in 2002 his  
4 health failed from kidneys disease. My husband takes 16  
5 pills a day to stay alive.

6 THE COURT: Um-hmm.

7 MS. JACKSON: Not only that, my husband have paid  
8 into his annuity, he have paid into his insurance, and we're  
9 still paying.

10 THE COURT: Um-hmm.

11 MS. JACKSON: We have not stopped paying, period.  
12 And I do not understand why is it that they're saying that  
13 we're not paying our healthcare and we're not paying into our  
14 annuity. We have been paying from day one, and actually in  
15 2005, far as my insurance was concerned, I paid \$355 a month  
16 for insurance --

17 THE COURT: Um-hmm.

18 MS. JACKSON: -- yet still they keep constantly  
19 saying that we, the retirees, is causing the city to go broke  
20 when we have -- we are not at all a part of this. We paid  
21 our dues, and I think that we should be able to continue  
22 living the way we want to live. Thank you.

23 THE COURT: Thank you, ma'am. 45, Ailene Jeter.

24 46, Sheilah Johnson.

25 MS. JOHNSON: Good morning. My name is Sheilah

1 Johnson. I am a retired 28-year City of Detroit employee.

2 THE COURT: Um-hmm.

3 MS. JOHNSON: My husband has been in business in the  
4 city for 40-some years. He pays taxes. I pay taxes. I paid  
5 into my retirement pension system. When he -- when my  
6 husband provided jobs for ten, fifteen families a year, he  
7 gave up his future hoping and knowing that ours would be  
8 secure through my pension.

9 THE COURT: Um-hmm.

10 MS. JOHNSON: I can't afford -- I am too old to  
11 start all over and go and try and find another job, and so is  
12 he. What do we do?

13 THE COURT: How much is your pension?

14 MS. JOHNSON: My pension is around \$3,000 a year.

15 THE COURT: A month?

16 MS. JOHNSON: A month. I'm sorry. I'm very upset  
17 about this whole situation. I object to this bankruptcy  
18 because if the state can find millions of dollars -- where do  
19 you find money from? That is the City of Detroit's money  
20 that should have been paid to us, and like everyone else has  
21 said, all these nonpaying, noncontributing entities,  
22 businesses and whatever, that owes us should pay us. We are  
23 not bankrupt. Anybody that believes that believes that I am  
24 white. We are not bankrupt, and we know this, and we want  
25 you to understand that our lives are being affected.

1                   THE COURT: Um-hmm.

2                   MS. JOHNSON: We cannot go to sleep at night. When  
3 my nine-year-old grandson asks me, "Grandma, are they trying  
4 to make us slaves again?" how do I answer that child?

5                   THE COURT: Um-hmm.

6                   MS. JOHNSON: How do I answer a nine-year-old that  
7 got more sense than whoever is making these decisions --

8                   THE COURT: Um-hmm.

9                   MS. JOHNSON: -- because anybody can see I did not  
10 vote for Kevyn Orr. I voted for my city council. I voted  
11 for my mayor. Whether I agree with them or not, I voted for  
12 them. Those are the people that I expect to look out for  
13 me --

14                  THE COURT: Um-hmm.

15                  MS. JOHNSON: -- because of my vote. This is not a  
16 dictatorship. We do not need a dictator. We do not need a  
17 slave owner. I am not a slave.

18                  THE COURT: Um-hmm.

19                  MS. JOHNSON: I worked. I have a trade. I have  
20 degrees. I earned my pension. I paid my pension. They  
21 didn't give me my pension. They took that money out of my  
22 check every darn paycheck. Every paycheck they took that  
23 money. They earned interest on it. That's annuity. Ain't  
24 nobody giving me anything. I could have went anywhere, gone  
25 anywhere just like any other city employee.

1                   THE COURT: Um-hmm.

2                   MS. JOHNSON: We could have worked for anybody we  
3                   wanted to. We chose to serve our citizens of Detroit. We  
4                   should be compensated as it was agreed.

5                   THE COURT: Um-hmm.

6                   MS. JOHNSON: And that's what I'm looking for.

7                   THE COURT: Um-hmm.

8                   MS. JOHNSON: Thank you.

9                   THE COURT: No. Thank you, ma'am. 47, Stephen  
10                  Johnson.

11                  MR. JOHNSON: Stephen Johnson.

12                  THE COURT: Yes, sir. Go ahead.

13                  MR. JOHNSON: My objection is rather lengthy, so  
14                  when finished I'll have it filed --

15                  THE COURT: Okay.

16                  MR. JOHNSON: -- and put on the Internet. Okay.  
17                  The debtor, which is the City of Detroit, asked the  
18                  Bankruptcy Court to aid it and planned to discharge my  
19                  pension debt that occurred during debtor's defalcation while  
20                  acting in a fiduciary capacity. Debtor imagined that it  
21                  could cure 50 years of mismanagement through an accelerated  
22                  bankruptcy and reconstruction plan sanctioned by this court.  
23                  The debtor knows that any plan it drafts would only aid in  
24                  breaching pension contracts placed under protection of  
25                  Michigan constitution. Debtor knows no reasonable sound --

1 no reasonable sound-minded person could trust it as a  
2 competent fiduciary after 50 years of abuse, gross  
3 recklessness, and willful malicious behavior. In the  
4 mismanagement of pension funds and other matters, debtor, by  
5 its past history, is incapable of drafting a reconstruction  
6 plan that would cure the 50 years of defalcation. Even now  
7 as debtor admits it's failed in its fiduciary duties, debtor  
8 may conceal money that, when uncovered, would make debtor's  
9 net worth over and above the need to pay -- needs to pay its  
10 bills, but debtor chooses not to disclose this money in order  
11 to claim insolvency and to be eligible to seek a Chapter 9  
12 bankruptcy to discharge its pension -- to discharge pension  
13 debts. As debtor failed to perform as a fiduciary, debtor  
14 fails to understand that at the heart of courts'  
15 interpretation of fiduciary relationship is a concern that  
16 those who assume trustee-like positions with discretionary  
17 powers over the interest of others might abuse the power or  
18 produce -- abuse their position. Debtor is knowing -- debtor  
19 in knowing that it has unaccounted assets yet declares  
20 insolvency while in pursuit of a Chapter 9 bankruptcy. Fifty  
21 years of debtor's unaccounted money are being withheld by the  
22 State of Michigan for providing police, fire, and other core  
23 services to thousands of abandoned properties owned by the  
24 State of Michigan. These properties standing stripped inside  
25 and out to blight the City of Detroit for decades brought

1 about a continuous migration of taxpayers from the City of  
2 Detroit. The migration of taxpayers have contributed to the  
3 reduction of debtor's revenue and the reduction of the City  
4 of Detroit's workers and their pension fund. The debtor  
5 financial position would be solvent and pensions would not be  
6 in question if the State of Michigan released debtor's money  
7 that may amount to many billions of dollars, but to release  
8 this debtor's money would mean the State of Michigan would  
9 not be able to rid themself of the billions owed to debtor.  
10 It then may be insolvent itself. Debtor's money held by the  
11 State of Michigan, whether collectible or not, is current  
12 assets that makes it ineligible to a Chapter 9 bankruptcy  
13 under Rule 11 U.S.C., Section 109(c) (2).

14 THE COURT: All right. Sir, your time has expired,  
15 but I'll give you another minute.

16 MR. JOHNSON: Okay. Well, I'll just go to the  
17 conclusion.

18 THE COURT: Okay.

19 MR. JOHNSON: There's nothing confusing about the  
20 objection. The debtor reckless behavior that caused debtor  
21 to defalcate while lacking a fiduciary capacity over a 50-  
22 year period has harmed me throughout my working years with  
23 the City of Detroit, now comes before the Bankruptcy Court to  
24 ask the Court to aid it in sustaining further abuse on me and  
25 others. Objectors beg the Court to see through the debtor's

1 guise as it continues to consider this objection --  
2 objector's and this objector's letter to the judge, which  
3 would still not help the objector's entitlement to fairness  
4 and -- which would still not alter objector's entitlement to  
5 fairness and protection under law. The debtor's craftiness  
6 in framing a response to the objection does not emanate from  
7 any misunderstanding by the objector. Rather, it emanates  
8 from the fact that the debtor's failure to administer  
9 fiduciary duties is indefensible. The objector's obligation  
10 is not to draft an objection that is easy to defeat but to  
11 draft, as it has done, an objection that's easy to  
12 understand. In pursuit of 11 U.S.C., Section 523(a)(4), and  
13 11 U.S.C., Section 523(a)(6), which provide that an  
14 individual cannot obtain a bankruptcy discharge from a debt  
15 for defalcation while acting in a fiduciary capacity, the  
16 motion of the debtor for --

17 THE COURT: Thank you, sir.

18 UNIDENTIFIED SPEAKER: So are you going to submit it  
19 in writing?

20 THE COURT: Yes?

21 MR. JOHNSON: Yes.

22 THE COURT: I hope you will. Mr. Johnson, are you  
23 going to submit that in writing for me? Yes. Thank you.  
24 Okay. I'm sorry. Someone has a question.

25 UNIDENTIFIED SPEAKER: (Inaudible).

1                   THE COURT: Absolutely. You can always file  
2 anything you like with our clerk's office, and I hope you  
3 will, and I encourage it. Okay. Next is 48, Joseph H.  
4 Jones.

5                   MR. JONES: Good morning.

6                   THE COURT: You're Mr. Jones?

7                   MR. JONES: Yes, sir.

8                   THE COURT: Go ahead, sir.

9                   MR. JONES: Mr. Jones. You can scratch the "H,"  
10 though.

11                  THE COURT: Oh, no "H." Okay.

12                  MR. JONES: They put an "H" in there, yes, sir.

13                  THE COURT: We will make that correction in our  
14 records.

15                  MR. JONES: Yes, sir. My name is Joseph Jones, and  
16 I'm party to the bankruptcy. I filed objections to the  
17 city's filing of the petition because I didn't have enough  
18 time to hire an attorney or advise me of all my rights under  
19 this bankruptcy because I received the notice only a few days  
20 ago. I believe that the federal court should decide whether  
21 the emergency manager laws are legal in Michigan emergency  
22 managers take -- before emergency managers take any more  
23 actions. As a resident and taxpayer in the City of Detroit,  
24 I object to my tax dollars being given to emergency manager  
25 to spend without any input from the mayor or the city council

1 members that I elected. I object to the fact that the City  
2 of Detroit giving millions of dollars to millionaires and  
3 billionaires to build things like new hockey stadiums in  
4 downtown Detroit when these people already owe the city  
5 millions of dollars. I think that the city would not have to  
6 file for bankruptcy if these millions of dollars were used  
7 for other purposes. Thank you.

8 THE COURT: Thank you. 49, Sallie M. Jones.

9 MS. JONES: Good morning, your Honor. My name is  
10 Sallie Jones. I am a party of this bankruptcy and file  
11 objections to the city filing of bankruptcy. I am a property  
12 owner and a taxpayer. I am --

13 THE COURT: Can you do me a favor, ma'am, and just  
14 speak more into the microphone? You don't have to get right  
15 into it but right behind it is good. Thank you.

16 MS. JONES: Okay. I am a taxpayer and a property  
17 owner of the City of Detroit. I am in agreement with the  
18 employees of the City of Detroit who should have their  
19 pensions. I believe that the emergency manager is illegal  
20 and that this bankruptcy -- that Detroit needs a  
21 reorganization, not a bankruptcy. I think that this  
22 emergency manager as well as his friends are only in here to  
23 take the money from the people of Detroit and put it in their  
24 pockets. They're not thinking of nobody else. I think  
25 Detroit should break up -- make up some kind of programs or

1 whatever because it has been proven that Detroit is not  
2 broke. They can make up some kind of jobs, and you got  
3 enough people here in Detroit who can work in these jobs and  
4 make this money circulate, and Detroit can take care of  
5 itself.

6 I used to work for Chrysler. If Iacocca could take  
7 a dollar, although it wasn't all that great, to help  
8 Chrysler, Orr can give up his money and what his friends here  
9 are getting to help the people of Detroit. Thank you.

10 THE COURT: Thank you, ma'am. All right. We've  
11 been working for an hour and a half here. I am going to take  
12 a 15-minute recess. We're about half done. So we'll  
13 reconvene at 11:45.

14 THE CLERK: All rise. Court is in recess.

15 (Recess at 11:30 a.m., until 11:45 a.m.)

16 THE CLERK: Court is in session. Please be seated.  
17 Recalling Case Number 13-53846, City of Detroit, Michigan.

18 THE COURT: Next on our list is Speaker Number 50,  
19 Michael Joseph Karwoski.

20 MR. KARWOSKI: Good morning, your Honor. I'm  
21 appearing in my individual capacity, not as a member of the  
22 retiree committee.

23 THE COURT: Okay.

24 MR. KARWOSKI: Mr. Taubitz, who is Speaker Number  
25 51, who's right after me, has been given 15 minutes by the

1 Court. He's offered to give me five minutes of his 15, so I  
2 would have 8, and he would have 10, if the Court approves  
3 that.

4 THE COURT: Sure. Go ahead, sir.

5 MR. KARWOSKI: Thank you. A little wheeling and  
6 dealing here.

7 THE COURT: That's what we do.

8 MR. KARWOSKI: The city has represented that  
9 pensions are not yet at issue in the bankruptcy. In the  
10 city's consolidated reply to objections to the entry of an  
11 order for relief, Docket Number 765, it says the only way  
12 pensions could be impaired without the consent of the  
13 pertinent beneficiaries, however, is by an order of this  
14 court at some future date, and basically that would be at the  
15 time of plan confirmation, but I respectfully suggest that  
16 that's a myth and a misrepresentation to suggest that  
17 pensions are not every bit a part of this bankruptcy and a  
18 core part of it. The emergency manager has made it clear in  
19 his public statements both before and since the commencement  
20 of the bankruptcy that he intends to cut pensions and cut  
21 health benefits. In the City of Detroit proposal for  
22 creditors dated June 14th, 2003 (sic), a month before the  
23 filing of the bankruptcy, at pages 55 and 56 the emergency  
24 manager said or the city through him said that there would be  
25 significant cuts in accrued vested pensions for active and

1 current retired persons.

2                   The Court has recognized that pensions are very much  
3 a part of the process by the very act of creating the retiree  
4 committee at the request of the city. The retirees represent  
5 about 23,000 out of the more than 100,000 creditors of the  
6 city, as indicated on the petition. The Court has also  
7 recognized the important role that pensions and other post-  
8 employment benefits, namely healthcare, play in the process  
9 right now as it's going on by the creation of panels and  
10 mediation to deal with pensions and health benefits. It's  
11 really not fair to say that pensions are not going to be  
12 considered until some later date in the future. I believe  
13 they're very much at issue right now.

14                   My issue in terms of eligibility -- my argument is  
15 with respect to the authority of the emergency manager to  
16 file a petition to the extent that it would impair pensions,  
17 and that brings in the argument under the state constitution,  
18 the pension clause. My argument is -- my pleading is Docket  
19 Number 510. It's a combination -- I'll forego talking about  
20 items one and two because those are big picture issues that a  
21 lot of other people are talking about, but my argument, which  
22 I think has a little -- has a little different spin to it, is  
23 Item Number 3, which is a combination of arguing under  
24 Section 109(c) of the Bankruptcy Code in conjunction with  
25 Public Act 436, the emergency manager law. The State of

1 Michigan in its response to eligibility objections raising  
2 only legal issues has said in Section Roman numeral III,  
3 which is headed "Detroit's EM has valid authority to file the  
4 bankruptcy case" -- and I'll skip their citations, but  
5 basically what they've said is the State of Michigan with  
6 respect to the state law, the emergency manager represents  
7 the city in this bankruptcy case. The emergency manager is  
8 the only party with authority to propose a plan of  
9 adjustment. He controls the plan process. Nothing in the  
10 Bankruptcy Code limits authority to file Chapter 9  
11 proceedings through an elected official. To the contrary,  
12 Section 109(c) (2) of the Bankruptcy Code requires only that  
13 the bankruptcy be authorized by a governmental officer who is  
14 empowered by state law without making any reference to  
15 whether the governmental officer is elected or not. I agree  
16 with the statements that the State of Michigan has made. I  
17 agree that the emergency manager -- and I'll amend my  
18 pleading slightly by saying that I agree the emergency  
19 manager is authorized to file the petition in Chapter 9  
20 except with respect to pensions because his authority to file  
21 the Chapter 9 petition derives only from Public Act 436 and  
22 particularly from Section 12(1)(m) of the Act, sub double I  
23 or sub two, which -- again, without the citations -- this is  
24 the area of the Emergency Manager Act that talks about the  
25 ability of the emergency manager to control the pensions and

1 to bring the pensions into the bankruptcy proceeding, and  
2 it's -- there's the threshold of the 80-percent funding  
3 level, but beyond that, even if the 80-percent funding level  
4 is met and the emergency manager exercises control over the  
5 pensions, little double I reads, "The emergency manager shall  
6 fully comply with the public employee retirement system  
7 investment act cited and section 24 of article IX of the  
8 state constitution of 1963, and any action taken shall be  
9 consistent with the pension fund's qualified plan status  
10 under the internal revenue code." The act which empowers the  
11 emergency manager to file Chapter 9 requires him to comply  
12 with the pension clause of the constitution. To the extent  
13 that he does not do that, I respectfully suggest that he is  
14 not empowered to file the bankruptcy petition with respect to  
15 pensions and other post-employment benefits. He's simply not  
16 authorized. The drafters of state law were cognizant of the  
17 state constitution. They incorporated the reference, the  
18 limitation, the requirement within Public Act 436, and that's  
19 in the section after the discussion of when the emergency  
20 manager can file bankruptcy and within a bankruptcy when he  
21 can control pensions. He can only control pensions to the  
22 extent that it doesn't impair -- that they're not impaired.  
23 He can only include pensions in the scope of the bankruptcy  
24 within the confines of the state pension clause. The  
25 emergency manager is the only party authorized to file the

1 bankruptcy. He's the only petitioner. He filed on behalf of  
2 the city.

3 I guess I'll end at the beginning, which is Docket  
4 Item Number 1, and that is the emergency manager, Order  
5 Number 13, in which he orders the city to file a Chapter 9  
6 petition. In the order, Item Number 3, Kevyn Orr's order  
7 reads, "If any component of this Order is declared illegal,  
8 unenforceable or ineffective in a legal or other forum or  
9 proceeding such component shall be deemed severable so that  
10 all other components contained in the Order shall remain  
11 valid and effective." Consistent with the emergency  
12 manager's own order, I believe it's appropriate for this  
13 Court to sever the consideration of pension benefits from the  
14 bankruptcy proceeding --

15 THE COURT: Um-hmm.

16 MR. KARWOSKI: -- because he's simply not authorized  
17 under the act, which is the only authority that the emergency  
18 manager has to file a Chapter 9 petition. He's simply not  
19 authorized to impair pensions or other benefits. The fact  
20 that pensions are a part of this -- the size of their  
21 involvement -- besides the points I made earlier, also the  
22 list of the 20 largest creditors, Docket Number 15, the  
23 general pension fund is the first largest creditor, the  
24 police and fire is the second largest creditor, two point --  
25 \$2 billion dollars and \$1.4 billion of the other 18 largest

1 unsecured creditors -- one is the DDA, the Detroit  
2 Development Authority, and the other 17 are all banks which  
3 are involved in the pension swaps. Pensions are very much a  
4 part of this proceeding right now, and they should be severed  
5 from it because the emergency manager is not authorized to  
6 file a petition that impairs pensions.

7 THE COURT: Thank you, sir. 51, Zelma Kinchloe.  
8 52, Timothy King. 53, Keetha R. Kittrell. 54, Roosevelt  
9 Lee. 55, Althea Long. Go ahead, please. Are you Ms. Long?

10 MS. LONG: Yes. I'm Ms. Long.

11 THE COURT: Go ahead.

12 MS. LONG: Okay. My name is Althea Long, and I am a  
13 party to the bankruptcy. I object to the city's filing of  
14 the petition because I didn't have enough time to hire an  
15 attorney to advise me of all of my rights under the  
16 bankruptcy because I never received a notice. In fact,  
17 nobody I know received a notice, and I've lived in this city  
18 all my life. No relatives, no neighbors, no friends.

19 THE COURT: Um-hmm.

20 MS. LONG: That is one of my objections. Also, I  
21 object to the fact that the emergency manager has stated that  
22 he may sell off all the city's assets, yet he has said  
23 nothing about making any of the large corporations who owe  
24 the City of Detroit millions of dollars pay what they owe.  
25 I'm a resident of the city. I'm retired living on a fixed

1 income, and yet I pay my property taxes every year on time  
2 and in full. I think it's only fair that corporations making  
3 millions of dollars are required to pay the City of Detroit  
4 what they owe.

5 I also object because the right to vote is an  
6 important right, and I feel that I've lost that right when a  
7 governor can handpick someone to fulfill the duties of the  
8 people elected by the citizens. I believe that the federal  
9 court should decide whether the emergency manager laws are  
10 legal in Michigan before the emergency manager takes any more  
11 action in the city, including the filing of this bankruptcy.  
12 Thank you.

13 THE COURT: Thank you, ma'am. One second, please.  
14 You're all set, ma'am. My apologies to you. I did not give  
15 you an opportunity to state your appearance on the record if  
16 you wanted to do that.

17 MS. TRUEMAN: I do, your Honor. Grace Trueman on  
18 behalf of State of Michigan. I just wanted the record to  
19 note that we have been in attendance. However, we were  
20 sitting in the back row then.

21 THE COURT: All right. Thank you.

22 MS. TRUEMAN: Thank you.

23 THE COURT: Thank you for noting that for the  
24 record. And one more thing before we proceed. I got a note  
25 that one or more of you may have arrived after your names

1       were called. Please be assured that when we go through the  
2       list in our order, we will come back and catch up with those  
3       of you who were not able to be here when your name was  
4       called. Okay. So next will be 56, Edward Lowe. 57, Lorna  
5       Lee Mason. 58, Deborah Moore. 59, Larene Parrish. 60, Lou  
6       Ann -- excuse me -- Lou Ann Pelletier.

7                   MS. PELLETIER: Right here. Good afternoon, your  
8       Honor.

9                   THE COURT: Good afternoon. Go ahead, please.

10                  MS. PELLETIER: I want to object to the City of  
11       Detroit bankruptcy filing but also Kevyn Orr and the  
12       governor, Snyder. Detroit pensions should not be considered  
13       as a debt but a binding obligation entered into with good  
14       faith by employees and the City of Detroit. Next, I'm not  
15       going to read the Michigan constitution, Article IX, Section  
16       24, because I know you know that. There's no need for that.

17                  THE COURT: I've read it several times.

18                  MS. PELLETIER: But I'm going to move on to say  
19       Detroit being a workforce that is predominantly African  
20       American and comprised of possibly 50 percent of females,  
21       there's another aspect that the city, Kevyn Orr, and Governor  
22       Snyder hasn't looked at. This could lead to a disparate  
23       impact, this Chapter 9 bankruptcy filing, for a protected  
24       group of people. I would like to enter into the exhibit -- I  
25       looked up on the computer and found that under the United

1 States Department of Labor, they had already conducted a  
2 study.

3 THE COURT: Um-hmm.

4 MS. PELLETIER: And this study is for disparities  
5 for women and minorities in retirement.

6 THE COURT: Um-hmm.

7 MS. PELLETIER: I would like for this to be a part  
8 of the exhibit also.

9 THE COURT: Sure. Would you hand that to Chris, and  
10 then we'll have a look at it? Thank you so much, ma'am.

11 MS. PELLETIER: So yes. So this will bring into the  
12 Civil Rights Act of 1964 for protected groups of people,  
13 women and minorities.

14 THE COURT: Thank you.

15 MS. PELLETIER: That's it.

16 THE COURT: Okay.

17 MS. PELLETIER: Thank you.

18 THE COURT: And just so the record is clear as to  
19 what was handed to me, it's a document with the caption  
20 "United States Department of Labor Employee Benefits Security  
21 Administration," and the title is "Disparities for Women and  
22 Minorities in Retirement Savings." Okay. Number 61, Michael  
23 K. Pelletier.

24 MR. PELLETIER: Good morning to you. My name is  
25 Michael Pelletier. I also worked for the City of Detroit.

1 I'm a retiree --

2 THE COURT: Um-hmm.

3 MR. PELLETIER: -- from Detroit Public Lighting and  
4 basically say the same thing as all the other good people  
5 have said here --

6 THE COURT: Um-hmm.

7 MR. PELLETIER: -- that I consider Detroit pensions  
8 should not be considered as a debt but as a binding  
9 obligation entered into with good faith by the employees and  
10 the City of Detroit, and I don't see how anybody could  
11 possibly take that away from a whole generation --

12 THE COURT: Um-hmm.

13 MR. PELLETIER: -- of people that worked hard for a  
14 city.

15 THE COURT: Um-hmm.

16 MR. PELLETIER: And the state and the city should  
17 owe up to their obligations.

18 THE COURT: Um-hmm.

19 MR. PELLETIER: Um-hmm.

20 THE COURT: Thank you.

21 MR. PELLETIER: Yes, sir.

22 THE COURT: Ms. Pelletier, you're here. We're going  
23 to put this into the docket of the case, this report that you  
24 handed to me, so that the city and everyone else who's  
25 interested in the case can see this report.

1 MS. PELLETIER: Thank you.

2 THE COURT: 62, Heidi Peterson.

3 MS. PELLETIER: I left my purse.

4 THE COURT: Oh, well, okay then. 62, Heidi  
5 Peterson. Okay. 63, Deborah Pollard. 64, Helen Powers.  
6 65, Alice Pruitt. 66, Samuel L. Riddle.

7 MR. RIDDLE: My name is Sam Riddle. I'm a resident  
8 of the City of Detroit, and I am an interested party in the  
9 filing of this bankruptcy. Your Honor, I'm here to object to  
10 the emergency manager of Detroit filing this bankruptcy  
11 because, as an honorably discharged Vietnam-era veteran that  
12 served from 1965 to 1968, I took seriously my duty to defend  
13 democracy, indeed was prepared to give my life, if necessary,  
14 to protect American democracy and our way of life in these  
15 United States of America. You know, your Honor, when I  
16 listen to the individuals that have gone before me, there are  
17 two big elephants in this courtroom, race and democracy, and  
18 that's what makes this whole case a little bit different --

19 THE COURT: Um-hmm.

20 MR. RIDDLE: -- than the typical bankruptcy that  
21 I -- class that I endured during my tenure as a law student  
22 at the University of Michigan Law School in Ann Arbor. I  
23 believe that there's a threshold issue that a federal court  
24 must address before this bankruptcy may go forward rooted in  
25 the founding of this nation. Do dollars trump democracy?

1 Now, you know, this is a period when folks are allowed to  
2 vent a little bit, and then the lawyers say, "Well, this will  
3 all go away. They vented. Pass the Kleenex," and we move  
4 on.

5 THE COURT: Um-hmm.

6 MR. RIDDLE: But I think there's something more  
7 fundamental in terms of the underpinning of the judiciary.  
8 When dollars are the priority over the right to elect a city  
9 council and a mayor to make decisions for Detroit, then  
10 Detroit debt is being used to justify the largest  
11 institutionalized and most racist poll tax in American  
12 history because more black Americans in black -- in America's  
13 blackest city have seen their votes rendered meaningless than  
14 all the night riders that the Ku Klux Klan could do in the  
15 deep south with their lynchings, cross burnings, and terror  
16 to stop us from voting and enjoying full liberties as  
17 American citizens. In Detroit the imposition of an emergency  
18 manager slammed the door of democracy on Detroit during times  
19 when this nation dares to inflict drone democracy in the  
20 Middle East. Such hypocrisy is an insult to all that have  
21 served this nation and to those serving in our military  
22 today. I believe that this Court or an appropriate federal  
23 court should decide if the emergency manager laws of Michigan  
24 are legal before Detroit's emergency manager takes more  
25 action on behalf of Detroit, including the filing of this

1 bankruptcy. I also believe that the current cases pending  
2 filed by the NAACP and AFSCME's case where the National  
3 Action Network Michigan president, Reverend Charles Williams,  
4 is a party should be expedited and heard before this  
5 bankruptcy. As a resident of Detroit, I object to my tax  
6 dollars being used without a duly empowered Detroit City  
7 Council and mayor participating in those decisions. No  
8 taxation without representation. But maybe what is operative  
9 here is lodged in a U.S. Supreme Court decision that has  
10 never been overturned when Chief Justice Taney said a black  
11 man has no rights that a white man is bound to respect in the  
12 Dred Scott case. Thank you.

13 THE COURT: Thank you, sir. 67, Kwabena Shabu. 68,  
14 Michael D. Shane.

15 MR. SHANE: Good morning, your Honor. My name is  
16 Michael Shane, and I'm a resident of the west side of  
17 Detroit. I strongly object to the Detroit bankruptcy  
18 petition submitted by Kevyn Orr. I also agree with a lot of  
19 the objections that have been raised so far concerning  
20 constitutional questions, democratic rights, and the  
21 pensions.

22 Michigan Public Act 436, Section 16, requires that  
23 Mr. Orr investigate any criminal conduct that contributed to  
24 the financial crisis. Mr. Orr has neglected and failed to do  
25 so. He has failed to investigate the role of the banks in

1 the destruction of Detroit's tax base and the criminal  
2 behavior surrounding the city's debt. He admitted as much in  
3 a recent deposition.

4 The financial crisis in Detroit was triggered by a  
5 housing crisis where an estimated 100,000 home foreclosures  
6 occurred, and almost a quarter million people left the city.  
7 The banks issued predatory loans targeting Detroit and other  
8 communities of color in a racist and illegal manner. They  
9 then turned around and illegally evicted many of these  
10 families. The banks have been fined tens of billions of  
11 dollars already for this behavior, and former bank employees  
12 are testifying now under oath confirming the illegal and  
13 racist practices of the banks. Some of this testimony  
14 includes racially offensive language that cannot be repeated  
15 in polite company.

16 Property and income taxes dropped precipitously  
17 during this crisis causing huge losses to the City of  
18 Detroit, and to make matters worse, the banks refused to pay  
19 property taxes on homes seized after foreclosures. In 2011,  
20 the U.S. Senate Permanent Committee on Investigations led by  
21 Democratic Senator Carl Levin and Republican Senator Tom  
22 Coburn issued a scathing bipartisan -- it's unusual it's  
23 bipartisan -- report documenting the fraudulent behavior of  
24 the largest banks in the country. The banks have been caught  
25 money laundering. The banks have been caught in bribery. In

1 the Jefferson County bankruptcy, that came up. The banks are  
2 also being investigated for rigging markets of all sorts,  
3 including mortgage securities, municipal bonds, the LIBOR,  
4 the metals markets, the electricity markets, the ISDAfix  
5 benchmark, and the list goes on and on. Just in this past  
6 week it was announced that the banks are being investigated  
7 for manipulating the ethanol market. That's the fuel that we  
8 put into our gas tanks that's added to gasoline.

9                   When will this fraud stop? Recently some UBS  
10 bankers were convicted for rigging bids in the municipal bond  
11 market. UBS is one of Detroit's creditors, so why isn't Mr.  
12 Orr investigating that bank? All this criminal activity cost  
13 the homeowners, taxpayers, the pension system, and the City  
14 of Detroit lots and lots of money. Here's a list. You know,  
15 Mr. Orr says he's not really aware of all this fraud. Here's  
16 a list of all the different fraud I found on the web. It's  
17 an incomplete list, and I'll give you a copy of this, but  
18 it's long. This is -- these are unique articles on different  
19 kinds of fraud that the banks have been involved in.

20                   THE COURT: Sir, your time is up, but I'll give you  
21 a moment more.

22                   MR. SHANE: I urge the Court to deny Detroit's  
23 bankruptcy petition at this time because Mr. Orr has failed  
24 to fulfill his obligations under Public Act 436 by neglecting  
25 to initiate investigations into the widely suspected criminal

1 activity that destroyed our neighborhoods and our great city.

2 Thank you, your Honor.

3 THE COURT: Do you want to present that list to the  
4 Court or to Mr. Orr's office?

5 MR. SHANE: I have copies in my -- yeah, I will.

6 THE COURT: Okay.

7 MR. SHANE: I'll do that.

8 THE COURT: All right. 69, please, Karl Shaw. 70,  
9 Frank Sloan, Jr. 71, Gretchen R. Smith. 72, Cheryl Smith  
10 Williams. 73, Horace E. Stallings. Mr. Stallings, are you  
11 here? Okay. 74, Thomas Stephens.

12 MR. STEPHENS: Good afternoon, Judge Rhodes. Thomas  
13 Stephens, a member of the State Bar of Michigan and Bar of  
14 the Eastern District Court in Detroit for 27 years now. I'm  
15 here, your Honor, in agreement with several other  
16 objectors -- Mr. Heard, I believe, was the first one -- to  
17 argue primarily that this Court should not put the cart of  
18 Chapter 9 bankruptcy before the horse of Article III  
19 constitutional rights. Having only three or four minutes to  
20 address issues of this seriousness and complexity really  
21 illustrates my point as best as anything I can think of. The  
22 Bankruptcy Court is not the forum to hear these issues, and I  
23 think that's been clear throughout these proceedings today.  
24 I mean as symbolized by the permanent yellow light that we  
25 have here, notwithstanding your Honor's great courtesy and

1 professionalism, this bankruptcy and the way it's been thrust  
2 down our throats by Governor Snyder and the implementation of  
3 the emergency management statute through the Jones Day and  
4 Mr. Orr form of government that's been cobbled together and  
5 imposed on us has put this Court in a bad position as well as  
6 us. And what I mean by that is I read in the Detroit Free  
7 Press today a quote attributed to an attorney in D.C. who  
8 said that this Court is today providing us with the  
9 appearance of due process. From your demeanor --

10 THE COURT: I saw that. I didn't like that.

11 MR. STEPHENS: From your demeanor, your Honor, I  
12 didn't think you would, and I think that -- and then when I  
13 see this permanent yellow light here, I wonder what's really  
14 going on here. And I thank you for hearing us, and I thank  
15 you for the way you've approached these things, but I think  
16 that the proceedings that Mr. Riddle mentioned, the NAACP  
17 case and the Phillips case pending in Mr. Steeh's courtroom  
18 should be allowed to go forward before this bankruptcy. As  
19 legal authority for that, I would cite primarily the Supreme  
20 Court case from 1936, Landis versus North American Company,  
21 299 U.S. 248, as well as In re. Latimer, a Bankruptcy Court  
22 case in the Northern District of Alabama from July 2013 -- I  
23 think it was July -- 49 Bankruptcy Reporter 844, and Asahi  
24 Glass Company, Limited, versus Toledo Engineering Company in  
25 the Northern District of Ohio within this circuit, 262 F.

1 Supp. 2d 839.

2 THE COURT: What do those cases hold, sir?

3 MR. STEPHENS: Sorry? Thank you for reminding me.

4 I was going to say that. It's well-established, your Honor,  
5 that courts have the discretionary power to stay proceedings  
6 incidental to the power inherent in every court to control  
7 the disposition of the causes on its docket with economy of  
8 time and effort for itself, for counsel, and for litigants.  
9 That power extends to stays pending other judicial  
10 proceedings and does not require the issues in such  
11 proceedings to be necessarily controlling of the action  
12 before the Court.

13 THE COURT: Well, since you're a lawyer, do you mind  
14 if I ask you a lawyer question --

15 MR. STEPHENS: Not at all, sir.

16 THE COURT: -- even though the red light just came  
17 on? You've been in court here this morning; right?

18 MR. STEPHENS: Yes, your Honor.

19 THE COURT: I heard several people who are receiving  
20 pensions from the city express grave concern not only about  
21 whether they will continue to get their pensions but also  
22 about the uncertainty that this proceeding creates on that  
23 issue, and so the question I have for you is if a stay delays  
24 the resolution of that pension issue, doesn't that extend the  
25 very uncertainty that the pension people are so concerned

1 about?

2 MR. STEPHENS: Not compared to the anxiety they feel  
3 about what Jones Day and Governor Snyder and Mr. Orr have in  
4 store for them, your Honor, not at all. You're the first  
5 person who's brought that up.

6 THE COURT: Um-hmm.

7 MR. STEPHENS: The Court -- the authorities that I  
8 cited clearly contemplate that, that the stay can't be too  
9 long given the circumstances.

10 THE COURT: Um-hmm.

11 MR. STEPHENS: And the Court has to keep the balance  
12 true.

13 THE COURT: Um-hmm.

14 MR. STEPHENS: And I mean in response to your  
15 question, the best way I can respond to your question, your  
16 Honor, is that we have a serious double standard in our  
17 Michigan jurisprudence around these issues.

18 THE COURT: Um-hmm.

19 MR. STEPHENS: Within the last two years proponents  
20 of emergency management were able to withhold the placement  
21 of duly signed referenda petitions on the ballot which would  
22 have stayed the former Public Act 4 for months while  
23 proceedings went forward in Detroit. At the time, I was  
24 employed by the City Council. I was in the rooms while they  
25 were going forward, and the proponents of the emergency

1 management legislation and policy had the stunningly  
2 frivolous argument, which, nevertheless, they were able to  
3 attract three votes from the Michigan Supreme Court  
4 ultimately, which was a lose in dissent --

5 THE COURT: Um-hmm.

6 MR. STEPHENS: -- that the type -- some of the type  
7 on the petitions was not 14 point.

8 THE COURT: Right.

9 MR. STEPHENS: So that's history, and that's a big  
10 problem, and I think it's causing a lot more anxiety for  
11 these pensioners who have spoken so eloquently and so  
12 movingly today and so righteously, but to talk -- but to  
13 go -- to assure that double standard, look at the cases that  
14 are pending before Judge Steeh. Look at the claims in those  
15 cases. Opponents of emergency management have been saying  
16 that First Amendment rights are being trampled on, due  
17 process rights, and we've heard some of this today --

18 THE COURT: Right.

19 MR. STEPHENS: -- separation of powers, very  
20 fundamental constitutional issues, and we've heard the issue  
21 of race raised in perhaps the most eloquent and appropriate  
22 and moving way that I've ever heard a person in my life in  
23 this courtroom today.

24 THE COURT: Um-hmm.

25 MR. STEPHENS: And to ask that those things be

1 decided by a Bankruptcy Court instead of an Article III  
2 proceeding that's been pending, especially in light of the  
3 history of this double standard, your Honor, is absolutely  
4 pressing. Like I say, they've put you in a terrible  
5 situation to have you do this.

6 THE COURT: All right. Let me ask you to wrap up,  
7 please.

8 MR. STEPHENS: Yes, I will. And I think those  
9 cases, your Honor, that I would ask the Court to defer to,  
10 the Phillips and NAACP cases, which I believe you have the  
11 citations to, are the most important constitutional  
12 litigation in the State of Michigan regarding the nature and  
13 scope of constitutional liberty under the rule of law and the  
14 state's powers with regard to self-governance at the local  
15 level since the Michigan Supreme Court case in 1871, People  
16 ex rel. Leroy versus Hurlbut, 24 Mich. 44. I don't think  
17 that the City of Detroit's counsel have shown you that case,  
18 and I would ask you to look at the powerful opinions of  
19 Justice Cooley and Chief Justice Campbell in that case.

20 THE COURT: I wonder if I can ask you to supplement  
21 and expand on any written objection you have filed with these  
22 arguments. It would be very helpful to me.

23 MR. STEPHENS: I will do so.

24 THE COURT: Would you be willing to do that?

25 MR. STEPHENS: I will do so, your Honor.

1                   THE COURT: All right.

2                   MR. STEPHENS: Thank you. And just as to two final  
3 points, I would note that the Sixth Circuit's decision in  
4 City of Pontiac sent a case back to the District Court  
5 specifically asking the District Court to look at what's been  
6 happening in Michigan around this before reaching these  
7 issues, and I think that's relevant.

8                   THE COURT: I'm aware of that case.

9                   MR. STEPHENS: Thank you.

10                  THE COURT: Thank you, sir. 75, Dennis Taubitz.

11                  MR. TAUBITZ: Good afternoon, your Honor. Dennis  
12 Taubitz.

13                  THE COURT: Go ahead, sir.

14                  MR. TAUBITZ: I'm here as a creditor listed by the  
15 City of Detroit. I'd like to give a little background. I'm  
16 here because I'm asking for the bankruptcy petition to be  
17 dismissed as I'm contesting the eligibility of the City of  
18 Detroit. I think we have to look back to fall of 2011 when  
19 the City of Detroit asked its labor unions to put together a  
20 coalition. A coalition was put together, and they bargained.  
21 They bargained with Chris Brown, the chief operating officer  
22 of the City of Detroit, and they actually came to an  
23 agreement. However, the city never brought that agreement to  
24 the City Council, and it was never implemented. In the  
25 meantime, Jones Day's lawyers were promulgating a theory that

1 a municipality could refuse to honor its pension obligations  
2 by using the Chapter 9 bankruptcy, and Kevyn Orr was hired as  
3 the emergency manager for the City of Detroit, who just  
4 happened to be a partner at, guess who, Jones Day.

5 There were challenges to the constitutionality of  
6 Public Act 436 and as to the rights of Kevyn Orr to be filing  
7 for bankruptcy. Those were pending in the Ingham County  
8 court when Kevyn Orr ran into this court minutes before a  
9 ruling was to come down in that court.

10 I think what that leaves us with is a question as to  
11 Kevyn Orr's authority under Public Act 436. There are  
12 certainly questions as to the viability and constitutionality  
13 of Public Act 436, and I submit to this Court that those  
14 questions of constitutionality would need to be determined by  
15 an Article III judge and not by a Bankruptcy Court judge. I  
16 think it exceeds the scope and jurisdiction of the Bankruptcy  
17 Court and needs to be determined by an Article III judge.

18 The further problem I have with the city's  
19 eligibility for bankruptcy is their denial of due process.  
20 What we have is a situation where the city filed for  
21 bankruptcy and didn't want to give notice to the people being  
22 affected by the bankruptcy. Due process consists of fair  
23 notice, fair hearing before a competent tribunal. The notice  
24 of commencement of case under Chapter 9, notice of automatic  
25 stay, purpose of Chapter 9 notice of deadline and procedures

1 for filing objections at Chapter 9 petition and notice of  
2 city's motion to limit notice, those were Exhibit A to my  
3 objections. I received that with six days' notice.  
4 Unfortunately, five of those days I was out of state. I  
5 submit that six days' notice is not fair notice. As you've  
6 heard from others in this courtroom today, they also had  
7 problems with the lack of notice that occurred in this  
8 matter. Some people claim they didn't get notice at all, and  
9 multiple people have indicated that they didn't have time to  
10 get an attorney, and I submit a fair hearing results when  
11 both sides have the opportunity to be represented. The  
12 process that this Court is engaging in is denying people the  
13 opportunity to have their legal representation.

14 And, indeed, the debtor attempted to treat creditors  
15 differently. Some creditors are being allowed three minutes  
16 to speak. Some have another whole day to argue and have  
17 rebuttal. We are not being offered the opportunity to rebut  
18 the assertions by the City of Detroit.

19 Further, I think there's an argument that the city  
20 is not insolvent; that the city has assets; that they haven't  
21 even attempted to take those assets and place them on the  
22 market and ascertain a value. I think that was something  
23 that needed to be done before the city filed for bankruptcy,  
24 not after. And some of those assets include Belle Isle,  
25 which is -- reportedly has an offer for over a billion

1 dollars for. No attempt has been made to sell that. There  
2 is art at the DIA. No attempt has been made to sell that.  
3 Apparently there's a belated attempt to ascertain some value,  
4 but, again, I submit that should have been done before the  
5 filing of the bankruptcy.

6 And, furthermore, the debtor failed to negotiate in  
7 good faith. There are approximately a hundred thousand  
8 creditors that are listed. Approximately 21,000 of those  
9 creditors are retirees. My affidavit indicates that  
10 absolutely no attempt was made to communicate with me, either  
11 written or verbal, that no attempt was made to negotiate with  
12 me, and I further submit to this Court that no negotiation  
13 does not constitute negotiation in good faith.

14 The city may argue that it was impractical to  
15 negotiate with 21,000 retirees. However, Mr. Orr didn't have  
16 any problem negotiating with bondholders. And although  
17 there's an argument he didn't negotiate with the labor  
18 unions, he certainly met with them. The same facility, Cobo  
19 Center, could have been used as a meeting point with the  
20 retirees. However, he chose not to. Don't think that  
21 constitutes negotiation in good faith.

22 Moreover, I think the evidence demonstrates bad  
23 faith by the City of Detroit. I think we have to look at the  
24 fact that they asked for this coalition to bargain and then  
25 failed to follow through. I think we have to look at the

1 fact that they hired Mr. Orr, a bankruptcy lawyer with Jones  
2 Day, the firm that was promulgating this untested theory of  
3 ridding a municipality of its pension obligations, and I  
4 think this Court has heard how important those pension  
5 obligations are to so many retirees with the City of Detroit.  
6 Some of those stories have been quite moving.

7 I think we have to look at the lack of notice and  
8 specifically the city's attempt to limit notice. I think we  
9 have to look at the city's nonresponse to discovery forcing  
10 filing of further complaints -- further motions taking up  
11 this Court's time. And I think when we look at all that,  
12 what we find is bad faith.

13 And in conclusion, I'd just say that I think the  
14 city has not demonstrated eligibility for the bankruptcy,  
15 that its bankruptcy petition should be denied for the reasons  
16 stated above.

17 THE COURT: Thank you very much, sir. 76, Charles  
18 Taylor. 77, Marzelia Taylor. 78, Robert Michael Marques or  
19 Marques.

20 MR. MARQUES: Marques.

21 THE COURT: Marques.

22 MR. MARQUES: Good afternoon. My name is Robert  
23 Michael of the house Marques. I'm here to represent the  
24 Chair of Saint Peter. We are here to represent the people or  
25 to present the people of the City of Detroit. We are the

1 primary trustees of the global estate superior to the Roman  
2 Curia. We hereby establish the superior court on the land as  
3 open and in session with living witnesses as my record, and,  
4 as such, we will read the notice of eligibility objection.

5 My right to free speech is infinite, and no one can  
6 take that from me but God, so it will not be prohibited, and  
7 I promise I won't take much of your time. The Chair of Saint  
8 Peter is the principal and primary trustee of the global  
9 estate trust under whose jurisdiction the Roman Curia  
10 operates. The Chair of Saint Peter is both the ecclesiastic  
11 as well as the organic trustee of the global estate trust  
12 with a fiduciary duty to the divine living beneficiaries.  
13 The City of Detroit, upper and lower case, the City of  
14 Detroit, all upper case, the United States Bankruptcy Court,  
15 and the United States trustees, all upper case, are legal  
16 fiction alien trustees who operate under the jurisdiction of  
17 the Roman Curia. The people of the City of Detroit, the true  
18 creditors in the matter at hand, have requested the Chair of  
19 Saint Peter intervene on their behalf to officially object to  
20 the proceedings and to compel the return of the property to  
21 the principal for administration and original jurisdiction.  
22 The creditors in the bankruptcy, the City of Detroit,  
23 officially object to the eligibility of the City of Detroit  
24 as a debtor for the following. The 300-year-old City of  
25 Detroit is financially solvent as the inhabitants thereof

1 have the ability to pay via setoff all obligations when  
2 properly presented with a bill as all accounts are prepaid.  
3 The legal fiction, the City of Detroit has failed to tender a  
4 valid bill containing a sum certain, thereby preventing  
5 satisfaction and accord to facilitate the continued economic  
6 slavery of the people of the City of Detroit.

7                   The bankruptcy petition is intentionally confusing,  
8 misleading, and failing to stipulate the specific meanings of  
9 the words used in the petition while employing multiple and  
10 diabolically opposed meanings to the words in the body of the  
11 document identifying the inhabitants as creditors and then  
12 debtors with a need to be protected from themselves in  
13 bankruptcy.

14                   Number three, it is the less than 80-year-old legal  
15 fiction, the City of Detroit, a device which has been  
16 intentionally mismanaged by politicians, bureaucrats, and  
17 consultants, whose wordsmithing and sleight of hand that has  
18 cast the inhabitants into economic slavery which is  
19 intentionally insolvent. The City of Detroit is a device  
20 created by the trustees and administration guardians  
21 operating under the jurisdiction of the Roman Curia who have  
22 been tricked -- who, having tricked the people into pledging  
23 their property as collateral, which has fraudulently  
24 converted the true creditors into debtors reducing the  
25 creditors to the status of insolvent paupers having no

1 rights. The City of Detroit is a legal fiction alien who has  
2 hypothecated the credit of the people of the City of Detroit  
3 and holds the private matching funds who refuses to execute  
4 the setoff of debt for the settlement and closure of the  
5 accounts to return the City of Detroit, lower case, and the  
6 City of Detroit, upper case, to solvency. These are two  
7 different entities.

8                   It has been established, in fact, that the City of  
9 Detroit is a legal fiction, all upper case, a legal fiction  
10 alien whose ownership and/or control over the property and  
11 credit of the people is adversely affecting the global estate  
12 trust as well as the living beneficiaries thereof. The  
13 people, the true creditors, and the principal in reference to  
14 the bankruptcy of the City of Detroit hereby set forth the  
15 remedy, to wit the immediate setoff of the debt for  
16 settlement and closure of the accounts, liquidation of the  
17 legal fiction, the City of Detroit, and the immediate return  
18 of their property via escheat to the principal for  
19 administration in original jurisdiction.

20                   We have proposed a Detroit recovery plan to  
21 implement this. As we look around --

22                   THE COURT: Sir, your time is up. I will give you  
23 another moment or so.

24                   MR. MARQUES: It's going to be about three, but I  
25 will wrap up as soon as possible. As we look around us, we

1 can see that managing the economic emergency since 1933 has  
2 not turned out so well for the people. The emergency  
3 management by the present civil administration funded by the  
4 good faith and credit of the people has dramatically  
5 tarnished the credit reputation of the people as it has  
6 converted the creditors, we the people, into debtors and  
7 reduced us in status to that of insolvent paupers having no  
8 rights. Managing the emergency has given rise to a perpetual  
9 emergency with increasingly more dire consequences casting us  
10 all into insolvency. Emergency management by the present  
11 civil administration has resulted in the creditors, we the  
12 people, being reduced to debtors and enemies of the state  
13 under the trading with the enemy act under which the present  
14 civil administration has waged war against the people, the  
15 creditors, for decades. They have waged economic war against  
16 the people as well as a war against crime, war against drug,  
17 war against hunger and homelessness, and a war against  
18 terrorism which has resulted in dramatically increased crime,  
19 illicit -- increased illicit drug abuse, increased hunger and  
20 homelessness, and increased terrorism and war. Detroit is a  
21 clear example establishing the evidence that management of  
22 the economic emergency delivers to us an even greater  
23 emergency with which to manage all at the expense of the  
24 people, the true creditors. Management by the present civil  
25 administration has turned Detroit into what looks like a war

1 zone destroying our neighborhoods, our families, our family  
2 values, and our sense of community. Emergency --

3 THE COURT: Please wrap up, sir.

4 MR. MARQUES: The present 14th Amendment legal  
5 fiction corporate -- excuse me. Thank you. The present 14th  
6 Amendment legal fiction corporate, the City of Detroit, shall  
7 immediately settle all accounts, zero the debt via setoff,  
8 and make whole all the creditors making the return of the  
9 property to the principals and distribute the mesne funds to  
10 the living beneficiaries. The City of Detroit shall  
11 immediately cease the auction and/or sale of property and  
12 assets of the people as well as all lotteries and immediately  
13 convey the property to the new administration. An interim  
14 mayor and city council shall be appointed and empowered under  
15 the charter of 1857 to make the transition back to solvency.  
16 The interim government shall be provided the tools necessary  
17 to set off the debt and begin the distribution of the mesne  
18 funds, thereby returning the people of Detroit to abundance  
19 and prosperity. The post.net banking network has been  
20 established by the universal postal union in conjunction with  
21 the U.S. Department of Commerce as a global banking network  
22 to facilitate the electronic funds transfers, EFT's, to  
23 discharge the debt and make the return of the property in the  
24 exchange.

25 THE COURT: All right. I have to ask you to

1 terminate your statement now, sir.

2 MR. MARQUES: Hey, wait a minute.

3 THE COURT: Ma'am, one second.

4 MR. MARQUES: There are 18 protections in place for  
5 me. I would --

6 THE COURT: May I have your attention, sir? It  
7 appears to me that what you are saying to me is directly from  
8 what you filed with the court, and --

9 MR. MARQUES: Yes.

10 THE COURT: -- and I read it, so I've already seen  
11 what you wrote.

12 MR. MARQUES: So it is written, so it is done,  
13 you're saying, because as the fiduciary trustee, all  
14 fiduciary trustees will be held accountable. And if the  
15 order is not carried out, there will be war crimes assessed.

16 THE COURT: All right. So I have to ask you to  
17 terminate your statement now. Thank you.

18 MR. MARQUES: I will not terminate it. It stands.  
19 Thank you.

20 THE COURT: All right. Thank you, sir. 79, Dolores  
21 A. Thomas. 80, Shirley Tolliver.

22 MS. TOLLIVER: Good afternoon.

23 THE COURT: Good afternoon. You're Ms. Tolliver?  
24 Yes?

25 MS. TOLLIVER: Shirley Tolliver, T-o-l-l-i-v-e-r.

1           THE COURT: I-v-e --

2           MS. TOLLIVER: R.

3           THE COURT: -- r.

4           MS. TOLLIVER: Tolliver.

5           THE COURT: Okay. We will make that correction to  
6 our records.

7           MS. TOLLIVER: Thank you. I filed objections to the  
8 city bankruptcy filing because we, the citizens of the State  
9 of Michigan, voted down PA -- Public Act 4, which stated we  
10 did not need nor did we want an emergency manager. However,  
11 Kevyn Orr was appointed by Governor Snyder in February of  
12 this year as an emergency manager. However, my right -- my  
13 voting right was violated. Kevyn Orr filed petition for  
14 bankruptcy on behalf of the State of -- the City of Detroit.  
15 However, there's no provision in Chapter 9 that gives Kevyn  
16 Orr the authority to file this petition. Under Chapter 9,  
17 only the duly elected representatives of the City of Detroit  
18 have power and authority to file such a petition.

19           There are several civil matters pending in the  
20 United States District Court that precedes the bankruptcy  
21 action which challenges whether the emergency manager laws in  
22 the State of Michigan, including Public Act 436 of 2012, are  
23 constitutional, and this Court either does not or may not  
24 have jurisdiction over these matters.

25           I believe that the federal court should decide

1 whether the emergency manager laws are legal in Michigan  
2 before Detroit emergency manager takes any more action in  
3 this city, including the filing of bankruptcy. Thank you.

4 THE COURT: Thank you, ma'am. 81, Tracey Tresvant.  
5 82, Calvin Turner.

6 MR. TURNER: Good afternoon, your Honor.

7 THE COURT: You're Mr. Turner?

8 MR. TURNER: Yes, sir.

9 THE COURT: Go ahead, sir.

10 MR. TURNER: Thank you for giving me the opportunity  
11 to speak before you.

12 THE COURT: You're welcome.

13 MR. TURNER: First of all, I'm a city retiree, a  
14 resident of the City of Detroit, and I, too, am a Vietnam  
15 veteran.

16 THE COURT: Um-hmm.

17 MR. TURNER: I served in the United States Marine  
18 Corps from 1966 to 1969. I did 13 months in Vietnam --

19 THE COURT: Um-hmm.

20 MR. TURNER: -- and I came home, '69.

21 THE COURT: Um-hmm.

22 MR. TURNER: You know, we said coming back to the  
23 world. That's what we vets called coming back to the States.  
24 Got here, and to my surprise the hatred, the mistrust --

25 THE COURT: Um-hmm.

1                   MR. TURNER: All of this was given to us, the  
2 Vietnam vets, and we have been around the world. We do that  
3 now in the name of democracy, and here at home it's being  
4 denied. But I'm here to say that I love and I have gratitude  
5 for the City of Detroit because Mayor Young, even though  
6 other employers wouldn't hire us -- they'd say we were crazy,  
7 we were baby killers, we were dope addicts, you name it -- he  
8 gave us the opportunity, Vietnam vets, to come in, get a  
9 decent job, able to raise a family, send kids through school  
10 and live the American dream, and this is the City of Detroit.  
11 Like I said, I'm a retiree, and what Kevyn Orr -- Mr. Orr and  
12 Governor Snyder are going to do is going to hurt a lot of  
13 retirees and also vets, especially Vietnam vets because we're  
14 the forgotten few. To this day we're the forgotten few. And  
15 I just find it hard. I'm just being able to mention Vietnam.

16                   THE COURT: Um-hmm.

17                   MR. TURNER: I mean it was, I believe -- I wanted to  
18 go back because I came home in the hatred, but Mayor Young  
19 gave us a -- gave us the opportunity. I put a daughter  
20 through school --

21                   THE COURT: Um-hmm.

22                   MR. TURNER: -- a wife home, the American dream, and  
23 he gave us that opportunity. And, you know, being a vet  
24 reminds me of Iraq --

25                   THE COURT: Um-hmm.

1                   MR. TURNER: -- and Saddam Hussein, but the only  
2 difference in Governor Snyder and Saddam Hussein, we do -- or  
3 Michigan -- the State of Michigan, they have weapons of mass  
4 destruction. Am I correct? Kevyn Orr is a weapon of mass  
5 destruction, and that's speaking as a vet because it will  
6 destroy and it would hurt a lot of people if this Chapter 9  
7 goes through pensionwise. And like I say, I'm a retiree.  
8 I'm a pensioner. And it will hurt, and it'll hurt a lot of  
9 Vietnam-era veterans because that stigma is still there.

10                  THE COURT: Um-hmm.

11                  MR. TURNER: And I love America. Thank you. Semper  
12 Fi. God bless America.

13                  THE COURT: 83, Jean Vortkamp.

14                  MS. VORTKAMP: Hi. I'm Jean Vortkamp. I am a  
15 lifelong Detroiter. I'm a former Citizen of the Year of  
16 Detroit, and I'm also a former mayoral candidate. I received  
17 my late notice of this hearing on August the 12th, 2013.

18                  I want to share with you my experience in Detroit of  
19 austerity or cutbacks, as they used to be called. One month  
20 ago a young man was shot dead on my street. For five hours  
21 his body laid on my street. For those five hours a hundred  
22 people came to our street, his family and friends, and they  
23 got to see his body lay there for five hours because of the  
24 cutbacks to the coroner. This is austerity.

25                  When they say that bankruptcy in the press is going

1 to make Detroit better, that it's going to be a relief, in  
2 the other cities where there is bankruptcy, it is not relief.  
3 It is more cutbacks. Detroit is already at a point where it  
4 is inhumane for the amount of public services that we have.  
5 There is no more room for any more austerity in Detroit.

6           If this bankruptcy and the goal of pension cutting  
7 is allowed, it will impoverish my parents, my sister, my  
8 friends, and my neighbors. Cutting retiree healthcare,  
9 according to a lot of the seniors that this will affect, they  
10 think that they are suspiciously trying to lower the senior  
11 population by taking away their healthcare and their meager  
12 benefits already. If the undemocratic emergency manager, who  
13 I did not elect, is going to break union contracts and  
14 pensions, then he should also break the contracts with  
15 financial institutions. Our assets are not for sale. This  
16 is not either/or. This is not pensions or artwork or Belle  
17 Isle. This is none of it. Don't touch any of it. It is not  
18 their business. Detroit is not insolvent. Why have we not  
19 sued for the LIBOR rigging, collected unpaid taxes from the  
20 wealthy and fines from blight and environmental violations?  
21 Detroit needs to protect our assets and get forensic audits  
22 that we have needed for decades for all departments,  
23 authorities, of Jones Day's work here and the state. I  
24 suspect that there is a small group of racist rich men and  
25 banks who have been pulling the puppet strings of Detroit for

1 a very long time. As I stand in Bankruptcy Court, I would  
2 say they have not done a good job. Detroiters need to stop  
3 blaming themselves and stop listening to the local media  
4 controlled by these rich men. Detroiters work harder to  
5 preserve our community than any other Americans. It is time  
6 to put the blame in the right place, on this group of  
7 mismanaging rich men and banks. They need to release their  
8 stranglehold on Detroit, cancel the debts, and leave the good  
9 people of Detroit in peace.

10 I work with children who live in poverty here. It's  
11 time for the structural impoverishment implemented in Detroit  
12 to end. Children here deserve the same opportunities as the  
13 children of these rich men. The way to get that is through  
14 collecting the owed taxes, forensic audits, and controlling  
15 the rich men and banks. We should not be buying them bigger  
16 boats with our tax money and -- with our tax money and their  
17 swap fees. We should not pay for their children's private  
18 school education while gifted children in Detroit end up in  
19 jail. We should not pay for their fancy cars or their fancy  
20 suits from our aging parents' retirement survival income  
21 while we even have few buses. I urge you, Judge Rhodes, and  
22 Treasury Secretary Lew, who I know can intervene as well, to  
23 terminate this bankruptcy. Detroit is not an airline or a  
24 cupcake company as Jones Day is treating us. We are a  
25 community of families who deserve respect.

1                   THE COURT: Thank you.

2                   MS. VORTKAMP Thank you.

3                   THE COURT: 84, William Curtis Walton.

4                   MR. WALTON: Good afternoon, your Honor. I'm  
5 William Curtis Walton. I'm an identified creditor in this  
6 case.

7                   THE COURT: Yes, sir.

8                   MR. WALTON: I'm a former supervising building  
9 inspector with the city who retired under duress from the  
10 City of Detroit prior to the retirement age. I'm only 58,  
11 and I had planned to work till I was 65, but after achieving  
12 a full service retirement, having served 32 years for the  
13 city, I'm opposed to the city's being allowed bankruptcy  
14 protection from the payment of pension benefits not only  
15 because of the extreme hardship that it would place on myself  
16 and my wife or that my personal feelings on the subject are  
17 that this is a move -- this move is coldly calculated,  
18 unethical, and immoral, breach of public trust by the Bing  
19 and Snyder administrations, but that it has been illegally  
20 executed because, first of all, the city and Mr. Orr have  
21 admittedly not met the burden of filing because they have not  
22 bargained in good faith with the retirees of the City of  
23 Detroit prior to this filing. Certainly they've not  
24 approached me about the negotiations.

25                   THE COURT: Hold on one second. What's happening

1 with our microphone system here?

2 MR. WALTON: Is there a battery in this microphone?

3 THE CLERK: No.

4 THE COURT: I think the whole -- I think we're  
5 having a systemwide issue here.

6 MR. WALTON: Okay.

7 THE COURT: I think we have to take a break and get  
8 this resolved. Letrice, do you have any suggestions?

9 THE CLERK: Just call Jay.

10 THE COURT: I'm sorry. I can't hear you.

11 THE CLERK: I'll call Jay. We'll have Jay come up  
12 and take a look.

13 THE COURT: All right. I am sorry to have to do  
14 this to you, sir, but we'll have to take a recess to get this  
15 resolved. When we come back, we'll pick up with you.

16 MR. WALTON: Cleared up. Just a moment. It seems  
17 to have cleared up.

18 THE COURT: Are we back on line?

19 UNIDENTIFIED SPEAKER: Yeah.

20 THE COURT: Well, okay. Then proceed.

21 MR. WALTON: Thank you, your Honor.

22 THE COURT: Let's start his clock over.

23 MR. WALTON: Oh, thank you. I don't know -- I don't  
24 know if I'll need it, but that's okay. They've not  
25 approached me about bargaining in good faith or any

1 negotiation of any sort.

2                   The second point is, as it was stated by Mr.  
3 Karwoski, under Public Act 436, Section 12, subsection (m) (2)  
4 and (3), as he stated before and as I will not restate --

5                   THE COURT: Um-hmm.

6                   MR. WALTON: -- the duty of the emergency manager,  
7 if it is legal, is to uphold pensions, and his actions seem  
8 to be diametrically opposed to that. It's inconsistent with  
9 the provisions in -- but is, in fact -- okay. And it's  
10 opposed to the state constitution, which guarantees that  
11 pensions and retirement benefits are secure from such  
12 actions. This action requires the federal Bankruptcy Court  
13 to break the Michigan state constitution by allowing pensions  
14 and benefits of the city's retirees to be altered or  
15 negatively impacted. My opinion seems to be supported by the  
16 Honorable Mr. Schuette, the attorney general from the State  
17 of Michigan.

18                   In closing, well, frankly, here I am. I'm the  
19 people of which, by which, and for which the federal  
20 government is supposed to stand. I'm imploring your Honor to  
21 see fit to uphold the Michigan constitution, which is a  
22 political subdivision of the United States of America, and  
23 dismiss this case as to myself and as to the retirees of the  
24 City of Detroit.

25                   THE COURT: Thank you, sir.

1                   MR. WALTON: And I have nothing else. Thank you.

2                   THE COURT: 85, please, Jo Ann Watson.

3                   MS. WATSON: Your Honor, I'm Jo Ann Watson.

4                   THE COURT: Go ahead, please.

5                   MS. WATSON: I'm a Detroit City Council member.

6                   And, first of all, I want to say that I was denied due  
7                   process for these proceedings as I received my notice that I  
8                   could file an objection effectively the day the objection  
9                   deadline.

10                  THE COURT: Um-hmm.

11                  MS. WATSON: So I had absolutely no notice --

12                  THE COURT: um-hmm.

13                  MS. WATSON: -- and was -- and feel that my due  
14                  process has been denied.

15                  Secondly, it is my understanding that the federal  
16                  Bankruptcy Code does not comport with involuntary filing of  
17                  petitions for municipal bankruptcy. I'm standing here as an  
18                  elected official for the City of Detroit to declare that  
19                  neither the city council nor the elected mayor voted on the  
20                  filing, and it seems to me it does not comport with the  
21                  federal Bankruptcy Code.

22                  Secondly, the State of Michigan has material  
23                  conflicts, material conflicts with the City of Detroit.

24                  THE COURT: Um-hmm.

25                  MS. WATSON: The state treasurer in my office

1 admitted to same and has said so publicly on the record on a  
2 well-known broadcast in the city. In addition, the state  
3 treasurer --

4 THE COURT: What conflict are you referring to?

5 MS. WATSON: Default. There was an agreement that  
6 was reached during the Governor Engler, Mayor Dennis Archer  
7 era that the state, through two pieces of legislation, agreed  
8 to provide so many millions in revenue sharing. The state  
9 defaulted after two years. It should have been multi-year,  
10 and the \$220 million that is unpaid from that agreement has  
11 never been addressed and certainly has not been repaid --

12 THE COURT: Um-hmm.

13 MS. WATSON: -- to the city per the agreement. What  
14 the city has continued to do is live up to the agreement by  
15 not charging persons who work in the city but live elsewhere  
16 the full income tax we could charge, so the city has given up  
17 \$600 million in addition to the 220 million that the state  
18 has refused to pay. That's a material conflict, in my view.

19 Thirdly, the appointment of the emergency manager in  
20 the City of Detroit flies in the face of the action of 2.3  
21 million citizens in November 2012 who repealed the emergency  
22 manager law. Now that law was put back into business just a  
23 month later in a lame duck session led by the governor and  
24 other designates in the state House, and Mr. Orr was  
25 appointed based on Public Act 72, and then Public Act 436 was

1 grandfathered in. However, Public Act 72 did not exist  
2 anymore. When Public Act 4 was repealed in November 2012,  
3 everything that was connected with it was repealed, so there  
4 was no Public Act 72 to appoint Mr. Orr.

5 I ask, Judge, that you allow the two federal actions  
6 that challenge the constitutionality of these proceedings  
7 prior to the bankruptcy filing to be decided before there's  
8 any action on this municipal petition. I so request, and I  
9 do so formally. And I thank you very much.

10 THE COURT: Thank you, ma'am. 86, Judith West. 87,  
11 Preston West. 88, Carl Williams. And what is your name,  
12 sir?

13 MR. WILLIAMS: Carl Williams.

14 THE COURT: Okay. Go ahead, Mr. Williams.

15 MR. WILLIAMS: Yes. I object to this bankruptcy  
16 proceeding for a number of reasons. The first one is because  
17 in order to file a bankruptcy, it must be voluntarily and  
18 consent as Ms. Watson has said so, and that's a violation of  
19 the bankruptcy rules and regulation. I think it's 11 U.S.C.  
20 903 --

21 THE COURT: Um-hmm.

22 MR. WILLIAMS: -- that says you must have consent  
23 and it must be freely, which we had nothing even to do with  
24 it. This was done by the state through Kevyn Orr, who do not  
25 represent the people of the State of Michigan -- or the City

1 of Detroit. Excuse me. The act that Kevyn Orr is citing,  
2 the bankruptcy, that they relied on, 436, it is  
3 unconstitutional because it never received a three-fourth  
4 vote as required to challenge a referendum in the first place  
5 and according to Article II, Section 9, of the constitution  
6 of the State of Michigan. Hypothetically speaking, 436  
7 wasn't -- was -- if it was invalid, they still didn't have  
8 the authority to do it because under 436 only the  
9 municipality can file for bankruptcy. The bankruptcy also  
10 says the same thing. It says only the bankruptcy -- I mean  
11 only a municipality can file for bankruptcy. Yeah. Only a  
12 municipality may file relief under Chapter 9, Title 11  
13 U.S.C., Section 109(c), not Kevyn Orr, not Public Act 436, or  
14 the bankruptcy have provided any provision or a statute where  
15 Kevyn Orr could file for bankruptcy on behalf of the citizen.

16 Another thing is that they have been bargaining or  
17 negotiating in bad faith. I mean we're talking about money  
18 here. That's why we're here because of bankruptcy. Now, how  
19 can anybody -- I mean with common sense look at the facts  
20 here and you see that the emergency manager, Kevyn Orr, has  
21 shown material prejudice and acted with unclean hands in this  
22 matter. The state has withheld and refused to pay \$224  
23 million in January of 2012. They refused to pay \$139 million  
24 still owed in January of 2013. And this is a violation of  
25 the Michigan State Revenue Sharing Act 140 of 1971. The

1 state, through Kevyn Orr, has a very peculiar way of  
2 bargaining in good faith. This is not what you call good  
3 faith. I mean this is more like entrapment. I mean you owe  
4 us money. You refuse to pay the money. Then you turn around  
5 and say that we are negligent and you file bankruptcy when,  
6 in fact, Kevyn Orr, before he even -- within 45 days after he  
7 became the emergency manager, it was incumbent on him to file  
8 a financial plan, and he failed to do that. Now, Kevyn Orr,  
9 he could have filed for extension of time to do that, but he  
10 failed to do that, so, you know, all this appears -- not  
11 appears to be, it's a fact it hasn't been contrived because  
12 we have never, you know -- the things and assets that Detroit  
13 have has never been -- what can I say -- appraised --

14 THE COURT: Um-hmm.

15 MR. WILLIAMS: -- so how can you --

16 THE COURT: Your time has expired, but let me give  
17 you another minute.

18 MR. WILLIAMS: Okay. Well, what I wanted to say is  
19 that the Bankruptcy Court do not have jurisdiction over the  
20 person or over the subject because Kevyn Orr don't have the  
21 authority to file, so that's -- they don't have -- excuse  
22 me -- jurisdiction over the person, which is Kevyn Orr, and  
23 they don't have jurisdiction over the subject matter, which  
24 is bankruptcy. And that's a violation of Federal Rules of  
25 Civil Procedure 12(b) (1) and (2), so this case should be

1 dismissed based on that alone and the fact that they have  
2 violated Section 921 and 923 of the Bankruptcy Code itself,  
3 so this should stop, and it should be dismissed based on the  
4 law and the Bankruptcy Code and 436.

5 THE COURT: Thank you, sir.

6 MR. WILLIAMS: Thank you.

7 THE COURT: Number 89, Charles Williams, II.

8 MR. WILLIAMS: Thank you, your Honor. Reverend  
9 Charles Williams, II, president of the Michigan Chapter of  
10 the National Action Network, pastor of the historic King  
11 Solomon Baptist Church. Thank you for the time that you have  
12 provided today for many of those who are vehemently opposed  
13 to this bankruptcy that they feel was not applied for  
14 justifiably and they feel was not applied for legally.

15 A few weeks ago we celebrated the 50th anniversary  
16 of the march on Washington. I had the opportunity to stand  
17 there and speak in the same spot that the Reverend Dr. Martin  
18 Luther King, Jr., spoke. With the shadow of Lincoln  
19 overlooking us, I thought about so many of the advances that  
20 we have made over the years as African Americans and as a  
21 people and as an American. I'm not a lawyer, and I would not  
22 even get up here and cite anything --

23 THE COURT: Um-hmm.

24 MR. WILLIAMS: -- for you, but I would tell you that  
25 we look to the federal government. We look to the federal

1 government to make sure that states don't take advantage of  
2 their citizens and cities, and cities don't take advantage of  
3 their citizens. We look to the federal government when it  
4 came to the '64 Civil Rights and '65 Voting Rights Act, Brown  
5 versus Board of Education. We look to the federal government  
6 when it comes to making sure there are guards to open up the  
7 schools when we are trying for integration, and so we looked  
8 to the federal government when it come to Public Act 436. We  
9 have not gotten an answer yet, and we believe that we should  
10 get an answer. We should have our opportunity to allow  
11 Public Act 436 to be tried about whether it is legal, whether  
12 it's democratic, whether it's anti-democratic. We believe  
13 that's important.

14 Now, I heard you ask one of the former attorney --  
15 or one of the attorneys who came up here, I heard you ask him  
16 about whether you believe these pensioners can wait, whether  
17 you believe the citizens of Detroit can wait. Well, if we  
18 can spend over \$200 million, the state and city together, to  
19 build a hockey arena, if we can hire Jones Day spending \$500  
20 an hour and millions of dollars in fees, even though you have  
21 assessed someone to watch that type of stuff, if you -- if we  
22 can do that, then we can surely wait to see if democracy is  
23 in action. This legislation, Public Act 4, is so egregious  
24 that even your coworkers in the Sixth Circuit have already --  
25 or have looked at this and saw some inconsistencies in it,

1 and so our concern -- my concern, the reason why I'm here is  
2 to object formally and to ask you to allow Public Act 436 to  
3 have its day and its time in court on whether we are running  
4 a democratic system at this very moment.

5 THE COURT: Thank you, Reverend. 90, Floreen  
6 Williams. 91, Fraustin Williams. 92, Leonard Wilson. 93,  
7 Phebe Lee Woodberry. 94, Anthony G. Wright, Jr. I've been  
8 advised that Number 4, Aleta Atchinson-Jorgan, has made it to  
9 court today.

10 MS. ATCHINSON-JORGAN: The right of a person to a  
11 pension, annuity, or retirement allowance, the return of  
12 accumulated contributions, the pension, annuity or retirement  
13 allowance itself, to any optional benefit, to any other right  
14 accrued or accruing to any person under the provisions of  
15 this Code, and to the monies in various funds of the  
16 Retirement System shall not be assignable and shall not be  
17 subject to execution, garnishment, attachment, the operation  
18 of bankruptcy or insolvency law, or any other process of law  
19 whatsoever, except as specifically provided in this chapter  
20 of the Code. This is a direct quote from the city ordinance  
21 Number 29-01, subsection 1, 11-30-01, and a General  
22 Retirement Systems own policy. Being that the system is  
23 under what is called a defined benefit plan, the money to  
24 support the pensions is administered through a trust  
25 established by the City of Detroit's General Retirement

1 System. Since it operates as a trust, that would make the  
2 City of Detroit General Retirement System the trustee and I a  
3 beneficiary and a grantor of that trust as all retirees are  
4 beneficiaries and grantors of that trust. As such, I am  
5 telling the Court that I do not consent to any changes being  
6 contemplated that would alter or diminish our current  
7 contractual agreement regarding this trust. I do not give my  
8 permission. Since when do we care more about corporations  
9 than we do about people? People have a heartbeat. We have a  
10 soul. Corporations, like machines, have no feelings. It is  
11 all about the bottom line, about profits. The government of  
12 the City of Detroit is borne out of the people living on this  
13 land we call Detroit. The government of the City of Detroit  
14 did not create the people that live on this land. It is the  
15 people who created the government and that corporation we  
16 call the City of Detroit. As the kids say, don't get it  
17 twisted.

18 The City of Detroit, we are told, is \$18 billion in  
19 debt. The bank bailout cost taxpayers well over 700 billion.  
20 Wow. Now, that is a big difference between the two, yet we,  
21 as a society, feel the need to take care of those  
22 corporations that were -- what was the term -- oh, yes -- too  
23 big to fail. In fact, I read something just yesterday that  
24 stated that the federal reserve claims that they only lent  
25 1.3 trillion to the big banks, so apparently one must be big

1 enough to get the relief that is needed to survive. So here  
2 we are, small town Detroit, with a gun placed to our heads  
3 being told that if you are a dedicated city employee that  
4 gives a fair day's work expecting a fair day's pay but was  
5 forced to give up ten percent, it is because you're not big  
6 enough. If you are a retiree after having been a dedicated  
7 city employee for many years and are now being told that your  
8 pension and your medical has to be modified and adjusted  
9 because the money that you put in is no longer available to  
10 you, it is because you're not big enough. If you are a  
11 homeowner or property owner who always pays your taxes to the  
12 city coffers, guess what? You aren't big enough. You don't  
13 matter. You are not a bank. You are not a corporation. You  
14 are not entitled to a bailout.

15 Now, the debt of 18 billion that the city supposedly  
16 owes, I assume, like most debts, can be paid back over time.  
17 The 18 billion doesn't have to be paid in one day. So let's  
18 look at some math.

19 THE COURT: I can give you another minute or so,  
20 ma'am.

21 MS. ATCHINSON-JORGAN: The city receives \$11 million  
22 per month from the casinos. That would give us about \$132  
23 million in revenue per year, and based on 2012 census count,  
24 we had a population count of about 701,475, so let's say  
25 210,442 of them are homeowners who pay property taxes of

1 about 1,500 per year. That would give the city about  
2 \$315,663,750. And let's also say that these same homeowners  
3 pay a \$50 water bill per month. That would give the city  
4 about \$126,265,200. That would give us a total of  
5 \$573,928,950 in revenue per year. Now, that is just three  
6 sources of income. And, of course, to subtract operating  
7 expenses, lawsuits, infrastructure investment, state and  
8 federal taxes, but we didn't include sales taxes,  
9 investments, federal block grants, money from parking and  
10 traffic tickets -- and they're writing a lot of tickets  
11 now -- and, oh, doesn't the state owe us a large sum of money  
12 that we have yet to receive? I read somewhere that the city  
13 has a rainy day fund of over 50 million. I think it's  
14 raining.

15                 Anyway, I'm not a mathematician, but I am a retiree.  
16 I know that when I retired, I expected to receive a certain  
17 amount each month. I know that the amount as I get older  
18 will appear proportionately less and less because of  
19 inflation and other variables that may be out of my control.  
20 Therefore, I do not consent to a breach of the contract  
21 between the City of Detroit and the City of Detroit's General  
22 Retirement System, who are the trustees, and I, Aleta R.  
23 Atchinson-Jorgan, a grantor and a beneficiary of that trust.  
24 Any changes are to be considered a breach of the trust.  
25 Thank you.

1                   THE COURT: Thank you. Okay. Before I ask the city  
2 for any response, let me ask is there anyone else who would  
3 like to be heard regarding this matter? One person. Yes.  
4 Step forward, please, and one in the back also. Ma'am.

5                   MS. MCCLELLAN: Yes. My name is Cecily McClellan,  
6 and I submitted an objection as the first vice president of  
7 APTE, and I guess it was only selected that Dempsey Addison  
8 would speak, but we thought we were going to be included with  
9 the unions instead because we do represent over 200 people.

10                  THE COURT: Um-hmm.

11                  MS. MCCLELLAN: I, too, object to the filing of this  
12 bankruptcy, and I believe that this bankruptcy -- I mean the  
13 extent of the city's financial situation has been concocted  
14 and contrived by the State of Michigan, and the reason that I  
15 say that is that in 19 -- last year I was laid off. Now, as  
16 a union member, our contract indicates that we should be the  
17 last to be laid off so we can represent our union, and that's  
18 labor law. Without any regard for that, the City of Detroit  
19 laid off Dempsey Addison, the president, and laid off the  
20 first vice president, which to me is a violation of labor  
21 law, which took away the representation right or attempted to  
22 because we didn't stop representing. We have an obligation  
23 to represent our people. But I think what is really  
24 insidious is the -- what was happening at that time, and I've  
25 seen it throughout the city. I am a lifelong resident. I

1 worked for Department of Human Services, and I spent 18 years  
2 also at the Health Department. What was done at the  
3 Department of Human Services and what is being done at the  
4 Health Department right now is a crime. It was created at  
5 the Department of Human Services, the closure of that  
6 department. In the media you heard things about furniture  
7 being purchased, just allegations, but it was used as  
8 justification to close the safety net that was badly needed  
9 in the City of Detroit, a department that was 100-percent  
10 grant, which, in fact, provided resources to the city and  
11 also administrative costs that was being used downtown and  
12 hired people to oversee our grant, so we lost over \$40  
13 million that was then privatized and outsourced partially to  
14 Wyandotte, our weatherization dollars, and then the dollars  
15 that was used for emergency needs such as assisting seniors  
16 with utility bills, keeping them in their homes, burn-out  
17 victim, all of that money was then moved to Salvation Army  
18 and to Detroit Rescue Mission. There was no need to close  
19 that department, and now we have found that many of those  
20 allegations that were made last year have been just brushed  
21 under the rug. The same thing is now happening at Herman  
22 Kiefer. They closed down the clinic. They closed down the  
23 pharmacy. They closed down all those department. They  
24 created a fictitious unit that cannot even function as a  
25 health department called the Institute of Population Health,

1 which you'll find out right now cannot function, and,  
2 therefore, now we no longer have those services. It appears  
3 to be an assault on the poor, assault on the working class,  
4 and assault on unions in the city.

5 I did write a letter to the inspector general, which  
6 I would like to leave with you, your Honor, in February of --  
7 February 28, 2012, and the inspector general, Dr. Levinson at  
8 that time, responded back to me and said he was  
9 investigating. That investigation I assume is ongoing. But  
10 it does show that there were funds that the -- let me restate  
11 this. The city often complains that one of the reason  
12 they're getting rid of these grants is that we didn't manage  
13 it very well. Well, in the case of Department of Human  
14 Services, the State of Michigan withheld over 16.8 millions  
15 at the time that I wrote this letter to Mr. Levinson, the  
16 federal inspector general, and that was happening throughout.  
17 Funds were being withheld by the State of Michigan creating a  
18 contrived financial crisis, closing down departments, and  
19 union bustings, so I have my letter that I wrote to the  
20 inspector general. I also have a letter that the inspector  
21 general wrote back, and I also have a copy of the hearings  
22 that were conducted by the State of Michigan Department of  
23 Human Services that show in many ways that the citizens had a  
24 concern that the state was creating the environment that  
25 would cause the City of Detroit to have the financial

1 difficulties that we're having today by withholding funding.

2 THE COURT: All right. If you'll hand those to  
3 Chris, we'll make sure they do get in the record. Chris is  
4 right here.

5 MS. MCCLELLAN: Okay. Thank you very much.

6 THE COURT: Thank you. And there was one more  
7 person who responded to my solicitation. Yes, ma'am.

8 MS. JONES: Good afternoon, your Honor. I am Brenda  
9 Jones, Detroit City Council member. Thank you for giving me  
10 the opportunity to speak. I rise an objection to the  
11 bankruptcy filing. In my opinion, as a resident of the city  
12 and as a council member, some of the things that I've seen  
13 take place I believe to have been conspiracy to come to this  
14 day of filing for bankruptcy. A lot of it was done in the  
15 pretense of a consent agreement that was approved. There  
16 were things that were asked to be done. Unions were asked to  
17 negotiate to help the city's financial burden. Unions  
18 negotiated. It was done in bad faith on the governor's side  
19 because after the unions negotiated, the governor then came  
20 and said he would not allow that negotiations or those  
21 contracts to come before council for council to vote on.  
22 There were many cost savings that were met upon those  
23 negotiations. I also sit on the police and fire pension  
24 board as a trustee.

25 THE COURT: Um-hmm.

1                   MS. JONES: I can tell you that the police and fire  
2 pension board has worked along with the city to try to help  
3 the city in its financial crisis, but all at the same time  
4 there were many contracts and consultants that were still  
5 being paid much money to cause more burden to the city, so I  
6 am in full objection to this filing of this bankruptcy. I am  
7 also in objection asking to allow the hearing of the legality  
8 of Public Act 436 to be heard before we proceed with any  
9 hearing of eligibilities for bankruptcies. Thank you.

10                  THE COURT: Thank you. Mr. Bennett.

11                  MR. BENNETT: I'll be very brief. Get this  
12 straightened out a little bit. Is that okay?

13                  THE COURT: Yes.

14                  MR. BENNETT: Okay. I'll be very brief. First of  
15 all, your Honor, at the outset you indicated that this  
16 hearing is important, and we absolutely agree. I will also  
17 say that I found Detroit to be filled with talented  
18 advocates, and my hope is that as this process goes on, we'll  
19 be able to convince them to become allies as opposed to  
20 opponents with some of the things we're trying to achieve.

21                  I think it's important to say that it's impossible  
22 to argue with assertions that retirees should be paid what  
23 they're earned -- what they've earned and receive the  
24 benefits that they were promised. It's also just as hard to  
25 argue that most of the bondholders, particularly the ones

1 that hold valid claims and actually loaned money to the city,  
2 should be paid in full, and it's also very hard to argue that  
3 residents who are continuing to pay taxes should not get the  
4 services that they need and that they deserve. The story  
5 about a dead body sitting in the street for five hours is  
6 just horrifying. It's not acceptable either.

7                   The problems are immense, and they are also  
8 technically enormously complex, but the entire team remembers  
9 that there's a human dimension in all of this not just for  
10 retirees. There's also a human dimension involving active  
11 employees, residents, all the people that live around that  
12 street with the dead body, and also small business owners.  
13 Mr. Orr, I'm sure, always remembers this, and if his  
14 professionals need to be reminded, he is going to remind  
15 them.

16                   I think a separate point -- there's been a  
17 tremendous amount of emphasis at today's hearing on one  
18 aspect of a debt adjustment case, and that is the part of the  
19 debt adjustment case that deals with fixing distributions and  
20 making distributions on account of claims. And everyone is  
21 concerned about that part of the process, and they have a  
22 right to be, but there's another big dimension of the case  
23 that doesn't get or hasn't yet gotten enough media  
24 attention -- I'm sure it will -- and that's the process of  
25 doing our best -- the city doing its best to maximize its

1 ability to make distributions. And while it's not as public  
2 right now, I can assure everyone here and the Court that  
3 there's an enormous amount of effort going on in that area as  
4 well, and it's extremely important to Mr. Orr and his  
5 professionals that we succeed there and try the best as we  
6 possibly can to mitigate any harm that results from the  
7 current financial condition of the City of Detroit.

8                   No one is ever going to convince anyone in this room  
9 and I'm never going to argue that a bankruptcy case is a good  
10 thing. It is not a good thing. It's never a good thing.

11                  THE COURT: Hold on one second. We're losing our  
12 mike again.

13                  THE CLERK: Okay.

14                  MR. BENNETT: I think you fixed it.

15                  THE COURT: I was just about to ask if anyone in the  
16 courtroom knows anything about microphones.

17                  MR. BENNETT: I'm frequently told to turn things off  
18 and turn them back on again.

19                  THE COURT: Right. Reboot.

20                  MR. BENNETT: In any event, as I -- let me begin  
21 where I left off. No one is ever going to convince the  
22 people in this room or your Honor or even me that a  
23 bankruptcy is a good thing. It never is. What it is is  
24 sometimes better than all of the other alternatives.  
25 Sometimes leaving financial problems the way they are is even

1 worse. There are actually many stories about the management  
2 of the City of Detroit in recent years that would illustrate  
3 this. I'm going to offer only one.

4 As is pointed out in the proposal to creditors and  
5 the supporting materials that we distributed on the -- on  
6 June 14th and that we filed with the Court when the  
7 bankruptcy case was filed, I think, on the first day, for the  
8 past two years the city hasn't made any contributions to the  
9 pension plan, none. The required amount -- you could have a  
10 big debate over what the required amount should have been.  
11 The amount that should have been is not even close to zero,  
12 but that's exactly what was deposited, zero, in the past two  
13 fiscal years. During those two -- past two fiscal years, the  
14 city created secured debt to cover other -- to cover other  
15 expenses, and, of course, to the extent that those pledges  
16 are legal, that money is gone and will not be available to  
17 add to pension funds. In addition, the city paid other  
18 unsecured claims during that period of time. So as difficult  
19 as the bankruptcy may look and does look because it is a  
20 difficult process, in many ways it's already begun to rectify  
21 some of the problems that led us to the situation where we  
22 are.

23 My final point. The emergency manager has taken on  
24 enormous responsibility, and he's been given very substantial  
25 powers to try to get the job done, but he doesn't have the

1 ability to write whatever plan that he wants, specify  
2 whatever treatment of creditors that he wants, file it with  
3 the Court and say that it's done. Whatever plan will be  
4 proposed here has to be approved by the Bankruptcy Court, and  
5 it has to meet a long list of standards before it will get  
6 that approval, the most important of which is the Court has  
7 to find that that plan is in the best interest of the city  
8 and of all of its creditors, and all the considerations that  
9 the Court heard today are going to be factored into that  
10 decision. No one thinks this is going to be easy, but we  
11 know we have standards to meet, and we're going to try really  
12 hard to meet them. And I'm here to answer any questions your  
13 Honor may have.

14 THE COURT: No. Thank you, sir. Is there anything  
15 you'd like to add, ma'am?

16 MS. TRUEMAN: No, your Honor.

17 MR. ALBERTS: Your Honor, my name is Sam Alberts.  
18 I'm a partner at Dentons. We are the counsel to the Official  
19 Committee of Unsecured -- to the retirees. I just wanted to  
20 advise the Court that we have been here all morning.

21 THE COURT: Um-hmm.

22 MR. ALBERTS: We have listened --

23 THE COURT: Um-hmm.

24 MR. ALBERTS: -- very intently to what was said and  
25 have taken copious notes. We appreciate the presentations

1 that have been made --

2 THE COURT: Um-hmm.

3 MR. ALBERTS: -- and we just wanted you to know that  
4 we were here and listening.

5 THE COURT: Okay. Thank you for that statement on  
6 the record. Before we close our court session here today, I  
7 want to comment to everyone here that this was truly an  
8 extraordinary session of the court. It was an example of  
9 democracy at its very finest. The arguments and statements  
10 that you all took the time to articulate in writing and in  
11 court here today were moving, thoughtful, passionate,  
12 compelling, and well-articulated. There were well-stated  
13 legal arguments, well-stated personal concerns, well-stated  
14 arguments about our political process, and I'm going to  
15 suggest, therefore, strongly suggest, that everyone who has a  
16 stake in the outcome of this case, most of whom,  
17 unfortunately, were not here today, should take the time to  
18 listen to the audio recording of this proceeding, this entire  
19 proceeding, as long as that takes. As you all know, we put  
20 those audio recordings on our court's website, so they are  
21 accessible. And this strong suggestion is made especially to  
22 Mr. Orr and Mr. Snyder, our emergency manager and our  
23 governor. I think democracy demands nothing less than that  
24 they personally listen to what citizens of the city said here  
25 in court today, and with that we'll be in recess.

1                   THE CLERK: All rise. Court is in recess.

2                   (Proceedings concluded at 1:28 p.m.)

## INDEX

### WITNESSES:

None

### EXHIBITS:

None

I certify that the foregoing is a correct transcript from the sound recording of the proceedings in the above-entitled matter.

/s/ Lois Garrett

September 26, 2013

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Lois Garrett